

2015

RESOURCE GUIDE *for* SMALL BUSINESS

U.S. Small Business Administration • Massachusetts Edition

SBA Resource Partners: Making the Network Work for You

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On the Cover: Kyong Tremblay and her daughter Stephanie Horn working together at the family business, Horn Jewlers. See story on back cover.





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*SBA MASSACHUSETTS DISTRICT OFFICE FY- 2013 LOAN VOLUME REPORT OCTOBER 1, 2012 - SEPTEMBER 30, 2013

FROM THE ADMINISTRATOR



Let's Work Together

When I took my oath as the new SBA Administrator I was energized to work on behalf of entrepreneurs like you. I know you've risked so much to start and grow your small business, because I've stood in your shoes. I've started three small businesses of my own, including a community business bank that provided capital to other small businesses. This not only strengthened my knowledge of the challenges you face, it also strengthened my resolve to help you overcome those hurdles and succeed.

When I started my first business almost 20 years ago, I experienced similar changes to the ones you face today. On any given day, I could be called upon to be my company's human resources director, CFO, COO, or chief sales officer — all while competing against larger firms in highly competitive markets. I know you multitask your way through similar days to grow your business and provide good jobs for your employees.

My message to you is a simple one: The SBA is here for you, to help you access capital, counseling, contracts, or assistance after a natural disaster. We have dedicated resource partners in every community in America whose job is to make your job easier. They will work with you one-on-one to answer your questions, and they will help you open new doors to new business opportunities.

One of our resource partners is SCORE —*For the Life of Your Business*—, who marks its 50th anniversary this year. SCORE's 11,000+ volunteer mentors are both working and retired business professionals who are dedicated to providing you with game-changing advice and support. You can learn more about SCORE and our other resource partners, Small Business Development Centers (SBDC) and Womens Business Centers (WBC) in the Counseling section of this guide. Our feature article also provides information about leveraging our resource partner network at different points in your small business journey and shares success stories of small businesses like you who have benefitted from SBA resource partner support. To find the location of your nearest SBA District Office or resource partner, visit www.sba.gov/tools/local-assistance.

At the SBA, taking care of business has been our business for 61 years. This agency has been an important force in America's economic recovery, but we're only getting started. We look forward to helping you become the next great American success story.

Sincerely,

A handwritten signature in black ink, reading "Maria Contreras-Sweet". The signature is fluid and cursive, with a stylized "M" and "C".

Maria Contreras-Sweet
Administrator
U.S. Small Business Administration

FROM THE REGIONAL ADMINISTRATOR



Message From The New England Regional Administrator

I would like to welcome you to the Massachusetts Small Business Resource Guide and hope that you find this publication to be an effective learning tool in helping you start or expand your small business. Successful small business owners recognize that knowledge and planning are key ingredients in starting or growing a business.

As SBA's New England Regional Administrator, I am pleased to be part of the small business story in Massachusetts. I encourage you to contact the professionals at SBA's Massachusetts District Office or any one of SBA's partners to assist you as you launch or grow your business. The Massachusetts economy is tremendously diverse and has a history of innovation and invention. This heritage has been built predominantly through the development and expansion of small businesses in the cities and towns throughout the Commonwealth.

Whether you're seeking financing or government contracting opportunities, education and technical assistance, or help making sense of federal or state regulations, the SBA has the resources available to help you. The SBA offers free or low cost, confidential, one-on-one counseling, classroom and web-based training, assistance in obtaining business loans, venture capital, surety bonds and government contracts through our offices in Boston and Springfield. We also partner

with SCORE, the Massachusetts Small Business Development Center Network and the Center for Women & Enterprise, SBA's official women's business center and the Northeast Veterans Business Resource Center (NEVBRC). Finally, we offer a full range of online and video small business courses and chat sessions at our learning center at: www.sba.gov/tools/sba-learning-center.

Today's SBA is customer friendly and has made the process of starting or expanding a small business easier than ever for entrepreneurs. For example, the SBA has extended its fee relief measures through September 30, 2015 and last July we implemented a new credit scoring model for loans of \$350,000 and under and beginning in 2015, SBA will launch SBA One, which will streamline and simplify our lending process.

Keep a copy of the Massachusetts Small Business Resource Guide handy and share the information with other entrepreneurs. While this guide cannot guarantee success, it can provide meaningful direction and be of enormous help to anyone willing to make a commitment to entrepreneurship. Visit www.sba.gov today to find out how we can assist you.

Seth A. Goodall

*New England Regional Administrator
U.S. Small Business Administration*



Message From The State Director of SBA's Massachusetts Small Business Development Center Network



The Massachusetts Small Business Development Center (MSBDC) Network has had a year of striking achievements individually and collectively as well as numerous recognitions at the federal and state level. Our very talented staff continues

to be recognized for making the MSBDC Network a premier service delivery system for small business needs within the Commonwealth. For the sixth year, one of our service centers was recognized as both the state and Region I SBA Service Center for Excellence. The Mass Export Center Directed by Paula Murphy was the recipient of the award for 2014. Six of the finalists in the Mass Challenge competition were MSBDC clients and one client of the Boston Regional Office was a finalist winning a cash prize.

Our Mass Export Center/International Trade program continues to be recognized as a model program and has taken the lead on educating SBDC staff across the country as they develop programs. Our staff have been working collaboratively with the SBA District office and other partners on the Export Outreach Team initiative.

In addition, numerous SBDC staff participated in various small business round tables, listening tours, and community events throughout the year to better understand the needs of the small business community.

Free, confidential, high-quality, one-to-one, in-depth business advisory services, training, and access to capital were provided to over 8,000 clients encompassing 23,417 hours of one-to one business assistance and 11,923 training hours through numerous outreach sites across the Commonwealth. During the year, business

advisors helped clients secure over \$39 million in financing, increase export sales by \$150 million and contributed to the creation and retention of over 3,105 jobs. In 2014 Dr. Chrisman conducted an impact survey of long-term clients serviced by the network to assess the value of MSBDC services. The return rate for the survey was extremely high at 26.4% and long-term clients certified that \$2.26 in tax revenues were generated for each dollar expended on the program from federal, state and local funding sources. The survey also evidenced that MSBDC clients outperformed the sales growth for all Massachusetts companies at a rate of 17.8% versus 3.5%. In addition MSBDC clients had higher job growth 10.6% versus the Massachusetts average of 1.4% for established firms. Our program's success is directly related to our highly-skilled professional staff and strong partnerships with the U.S. Small Business Administration, the Massachusetts Department of Business Development, higher educational institutions led by the University Of Massachusetts Amherst Isenberg School Of Management and a wide range of supporters in the business community. We look forward to serving you in the upcoming year.

Sincerely,

Georgianna Parkin
State Director
Massachusetts
Small Business Development Center Network
www.msbd.org



Message From The District Director of SBA's Massachusetts and Rhode Island SCORE



SCORE, "For the Life of Your Business," is a United States Small Business Administration resource partner operating as a not-for-profit association dedicated to entrepreneurial education and the formation, growth and success of small business. Its members, operating in all 50 states and made up of successful business people who have chosen to offer the expertise that made them successful in business by providing entrepreneurs with free, confidential face-to-face, email and telephone business consulting. One-on-one business counseling and workshops are offered at 436 chapter offices across the country.

In 2013, 250 SCORE volunteers in Massachusetts and Rhode Island held over 8,000 face to face and email counseling and training sessions with clients at their seven main locations and 50 satellite sites throughout Massachusetts and Rhode Island. The local chapters also offer low-cost workshops.

Contact the SCORE chapter nearest you to make an appointment to discuss your business ideas, to brainstorm about specific business problems, and to enroll in workshops. SCORE locations in Massachusetts and Rhode Island are listed in this guide.

I wish each of you every success in your business venture.

Sincerely,

Judy Wessells
District Director
Massachusetts and Rhode Island SCORE
www.score.org

MESSAGES



Message From The CEO of the Northeast Veterans Business Resource Center, Inc.

The Northeast Veterans Business Resource Center (NEVBRC) provides business consulting and coaching services for veterans in the six New England States (ME, VT, NH, MA, RI and CT) to help them start, improve, grow or rehabilitate their business. The majority of our services are provided at no cost to the client, however, clients may be

required to purchase their text for a particular class (in which case they will purchase directly from the vendor and NEVBRC receives no incentive or rebate), or if we host a trade show type event, the client will be responsible for rental expenses associated with their booth space travel, lodging, shipping, or meals for their group.

Our consulting services include help with start-up, financing, business structure, planning, marketing, employees, taxes, funding strategies, and a whole host of other business lifecycle topics. Our most valuable resource is our knowledge and our experience. Everyone at NEVBRC is an entrepreneur and has started his or her own business at one time or another.

Our Lawrence, MA, Business Center offers training programs, such as the HP LIFE Business Training program, the Kauffman Foundations FastTrac(tm), New Venture(tm), and Home Based Business curriculum as well as workshops, seminars, and mentoring by area business professionals. We also conduct workshops, webinars and teleseminars on business technology, financial literacy, marketing research, accessing capital, and federal procurement/government contracting.

Our print, audio and video training programs represent both nationally recognized business experts like Brian Tracy, Zig Ziglar, Anthony Robbins, and Les Brown, as well as published works from clients who are successful authors and have donated resources to the business center for the purpose of giving back. A small sampling of our titles include; business development, sales, resume writing, communication skills development,

interpersonal and relationship skills, basic and advance computer skills training, business financial management, creative problem solving, memory and top performance building, professional writing, negotiating skills, personnel management and counseling, and much more.

We conduct business building classes locally as well as nationally and are frequent guest speakers for various conferences across the US, such as the American Legion Small Business Conference, National Veterans Small Business Conference, and others in various locations across the US. We also provide regional seminars, workshops, webinars and teleseminars on business technology, financial literacy, marketing research, accessing capital, and federal procurement/government contracting and other business related topics. Our business seminars boast a host of nationally recognized speakers, including senior federal executives, state and federal elected leaders, cabinet representatives, congressional representatives, large businesses executives, federal contractors and business leaders.

Our consulting and coaching services can be conducted over the phone, via email, online, in person at our Lawrence, MA, facility or at the client's place of choice or any combination that works best for the client. Call to make an appointment or to schedule a conversation about starting or growing your business or a meeting just to chat about your business, please visit our website at www.nevbrc.org.

We look forward to working with you.

Walter Wise, Chief Executive Officer
Northeast Veterans Business Resource Center, Inc.
617-938-3933 ext. 705 • 603-262-1503 Fax
wwise@nevbrc.org
www.nevbrc.org
"Serving American heroes, one business at a time"



Message From the CEO, Center for Women & Enterprise



The Center for Women & Enterprise (CWE) is a regional entrepreneurial training organization, with offices in Boston and Worcester, Massachusetts,

Providence, RI, and a new office opening this year in Nashua, NH. We provide opportunities for women entrepreneurs and women in business to increase professional success, personal growth, and financial independence. CWE offers education, training, and technical assistance to entrepreneurs at every stage of business development, and from a wide variety of racial, ethnic, and socio-economic backgrounds – spanning the range from women in public housing who may want to start home-based or small retail businesses, to women running fast – growth technology businesses. As a benefit corporation, CWE provides its services on a sliding-scale basis in order to serve all women, regardless of their ability to pay.

Our organization has been a SBA resource partner since our founding 20 years ago in 1995. More than 30,200 women and men have been trained in that time, many of whom have achieved real economic success in pursuing their dream of owning their own business.

CWE's expertise lies in its training and education programs which provide crucial information, exposure to new ideas and business

processes, and forums for the kind of networking that has contributed to the enormous growth in women-owned business. This year we are introducing new programs in our Centers, out in the community (Community Classrooms) and online. CWE also offers a full range of consulting services, including legal, marketing, finances, and general business strategy. Our class catalog can be found on our website, www.CWEonline.org.

Whether you are just beginning your journey on the path to entrepreneurship or if you already own a small business, our staff is ready to assist you.

Owning a small business is both challenging and rewarding. I wish you success in your venture.

Sincerely,

Susan Ritscher
President and CEO
Center for Women & Enterprise
617-536-0700
www.cweonline.org

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- This new site includes a search tool to direct you to ACA resources based on a business's location, size and current insurance offerings

For more information, visit the above resources or contact your local SBA District Office.

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L to R: James Forker, *VP Commercial Lending*; Tracey Gaylord, *VP Commercial Lending*; Ryan Leap, *SVP Commercial Lending*; Maureen Mahar, *VP Commercial Lending*; Bill Judd, *VP Cash Management*; Bill Fontes, *SVP Commercial Lending*

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Message From The District Director

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development and education."
413-785-0484 Office
413-222-4286 Cell
oreste.varela@sba.gov
The branch office serves
Berkshire, Franklin, Hampden
and Hampshire Counties.



Rules For Success

Like today's small businesses, large corporate success stories started with only an entrepreneur and a dream.

We want to be your small business resource here in the Commonwealth and are extremely happy to share this most recent version of the Massachusetts Small Business Resource Guide with you. Together with our resource partners - the Massachusetts Small Business Development Center (MSBDC), SCORE, the Center for Women and Enterprise and Northeast Veterans Business Assistance Center - we are helping thousands of entrepreneurs each year to start and grow their small business and to achieve the American dream.

Connect with us. Take advantage of the resources and the programs and explore ways to grow your revenues and jobs for our economy. Our team is passionate about small business with talented professionals and mentors across the state ready to assist with real solutions and advice on accessing the capital you need, finding out how to do business with the federal government and large prime contractors and where to get the general and specialized business counseling and planning to help you succeed.

The next step is yours.....call us; e-mail us; visit our website @ www.sba.gov/ma and sign up for our newsletter and visit our event calendar to find workshops and networking opportunities happening here in Boston, our gateway cities and even in our rural communities from the Berkshires to the cape and islands.

Before I close, I want to share some highlights from FY 2014 with all of you.

- Last year in Massachusetts, SBA supported almost 2,500 small businesses with roughly \$605 million in loans, ranking Massachusetts as one of the top offices in the nation in SBA lending. From small dollar microloans to deals up to \$5 million, over 150 lenders and partners have capital to lend to eligible small businesses.
- Over 28,500 small business clients were trained or counseled by SBA and its network.
- MA small businesses received over \$1.9 billion in contracts (estimated) with significant contract opportunities achieved for veteran, service disabled veteran, women owned, Hubzone and disadvantaged business owners.

Your success is important to us and to Massachusetts. Please call me directly in Boston at 617-565-5561 if you have any questions or specific concerns. We look forward to hearing from you and wish you much success in 2015.

Sincerely,

Robert Nelson

District Director of
SBA's Massachusetts District Office

We Welcome Your Questions

For extra copies of this publication or questions please contact:

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10 Causeway Street, Room 265
Boston, MA 02222-1093
Tel: 617-565-5590
Website: www.sba.gov/ma
E-mail: massachusettsdo@sba.gov

Doing Business in Massachusetts

■ The SBA helps business owners grow and expand their businesses every day.



THE MASSACHUSETTS DISTRICT OFFICE

The Massachusetts District Office is responsible for the delivery of SBA's many programs and services. The District Director is Robert H. Nelson. The District Office is located at the Thomas P. O'Neill Federal Building, 10 Causeway Street, Room 265, Boston, MA. Office hours are from 8:30 AM until 5:00 PM, Monday through Friday.

The Springfield Branch Office is located at:
STCC Technology Park,
One Federal Street, Building 101-R
Springfield, MA 01105
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Office of Advocacy Region I
O'Neill Federal Bldg., 10 Causeway St.,
Rm. 275A, Boston, MA 02222
Lynn Bromley, Regional Advocate
To reach Lynn call 617-565-8418 or for more information visit
www.sba.gov/advo.

CONTACTING THE MASSACHUSETTS DISTRICT OFFICE

For program and service information, please contact us at 617-565-5590.

SERVICES AVAILABLE

Financial assistance for new or existing businesses through guaranteed loans made by area bank and non-bank lenders. For information call 617-565-5590.

Free counseling, advice and information on starting, better operating or expanding a small business are available through the SCORE - Counselors to America's Small Business www.score.org, Small Business Development Centers (SBDC) www.msbd.org and Women's Business Centers (WBC) www.cweonline.org. They also conduct training events throughout the district - some require a nominal registration fee.

Assistance to businesses owned and controlled by socially and economically disadvantaged individuals through the Business Development Program. Contact David Polatin at 617-565-5562 or email: david.polatin@sba.gov.

Special loan programs are available for businesses involved in international trade. For more information, please contact:
U. S. Export Assistance Center
John F. Kennedy Federal Bldg.,
Suite 1826A

55 New Sudbury Street
Boston, MA 02203
John Joyce,
Regional Export Finance Manager
617-565-4305

Assistance is available for veteran, service-disabled veteran small business owners and reservists. The Massachusetts Veterans Business Development Specialist is Raymond Milano at 617-565-7256 or raymond.milano@sba.gov.

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Events are listed on the Training Calendar at: www.sba.gov/ma

Making the Most of SBA's Resource Partner Network

by Paula Panissidi, SBA's Director of Marketing

As you've likely read the Counseling Section of this resource guide, you already know that SBA couldn't serve every aspiring entrepreneur and small business owner without the assistance of our resource partners. With approximately 86 SBA District and Branch Offices throughout the country and its territories, our vast network of resource partners expands our outreach capacity twentyfold. In fiscal year 2013, those efforts helped small businesses get more than \$4.5 billion in capital infusion, start over 15,000 new companies, and create and/or save more than 68,000 jobs.

SBA's resource partner network is comprised of SCORE, Small Business Development Centers (SBDC) and Women Business Centers (WBC). In addition, 16 organizations serve as Veterans Business Outreach Centers through cooperative agreements with SBA's Office of Veterans Business Development. Although each resource partner operates differently, they are all available to assist you with your small business and entrepreneurship needs. Some resource partners have specific areas of expertise or cater to certain audiences, but all provide outstanding individual consulting, training, counseling and entrepreneurial education.

We all need different things at different points in our lives, and so, too, it is with a small business. This is why many of the small business success stories we profile are "repeat customers" of SBA and our resource partner network. They may work with an SBDC for a business plan during their start up, attend a training course or educational series at a WBC, and seek mentorship assistance from a retired business owner at SCORE many years later. At any point in between, they may have worked with their local SBA district office or resource partner to apply for an SBA-guaranteed loan or a small business government contracting program. Each small business owner has his or her small

business journey, and SBA and its resource partners are available to help along the way.

Take the story of *Janell's Gluten-Free Market* in Everett, Washington, for example. Instead of jumping head first into the business without any prior experience, business owner Janell Farnsworth reached out to the Washington WBC and the Veterans Business Outreach Center (VBOC) in Seattle. These two SBA resource partners are co-located, which made it easy for Farnsworth to go back and forth between the two, depending on her immediate need. After receiving free counseling and low-cost classes to help her target her efforts in getting the market up and running, the 1,200 square-foot shop opened its doors in 2009. Earning top-line revenue and profits each successive year, Farnsworth considered opening a second location and reached out again to the WBC, who helped her develop a business expansion plan. She then attended classes at both the WBC and VBOC to learn about such issues as managing employees, pricing to drive revenue, the benefits of trademarking, and changing a business structure from sole proprietorship to LLC/Corp. Her second location opened in December, 2013.

Janell's Gluten-Free Market serves a community of shoppers who otherwise would have little or no available alternatives. When Farnsworth encourages other entrepreneurs to take advantage of SBA's resources, the Army captain with 20 years of service emphasizes the value of the classes offered by the SBA and its resource partners, which guided her business decisions and helped her to develop a well-grounded business plan.

To find the location of your nearest SBA District Office, SCORE, SBDC, or WBC, visit www.sba.gov/tools/local-assistance.

SUCCESS STORY



Whip City Candle Stacie Phetteplace

Innovation, persistence, SBA assistance and a little luck have put Whip City Candle on the map. New England has a long and storied history of candle making. It was an essential skill in colonial times and saw its heyday during the peak of whaling in New England. Everyone in New England has heard of Yankee Candle but what of Whip City Candle? Whip City uses soy wax exclusively with all their products which has a strong foothold in the candle making world with innovative products such as their soy wax dipped Beantown Bears.

Stacie Phetteplace was destined to be a successful business woman. She started working with her brother-in-law over 12 years ago in 2002 when they sold candles to J. Polep distribution, a business serving convenience stores. In the first years, a series of events had her move toward a different business plan. Stacie's parents bought out her brother-in-law, helping her move in a new direction and they stopped using paraffin wax and perfected the formula and processes for soy wax just as QVC was promoting its "Decade of Discovery," a program aimed at discovering new entrepreneurs. The short story was that she was selected among thousands of applicants. The reward? She was able to market her products on QVC. After her first order of candles sold out, Stacie realized she needed to produce new candles more efficiently, even as she branched out to create new, innovative products such as soy wax "dipped" stuffed animals. Soy wax releases fragrance much better than paraffin wax so it was a perfect match for her existing products.

Throughout her years as a fledgling entrepreneur Stacie became a quick study and was constantly conducting experiments. While she was able to create the optimal formula for her candles and bears she knew that the SBA had business resources she could tap into. Along her journey she met with SCORE counselors and attended several SCORE workshops which helped improve her business model. She also worked with local SBA lenders to finance her efforts; both Westfield Bank and First Niagara (formerly New Alliance) Bank provided her the capital she needed to take her business to the next level.

Today her products are sold across the country via her website. She continues to be a favorite vendor on QVC, selling thousands of her products every time she takes to the air waves. She started with four employees, but has since grown to 10-40 with variation depending on seasonal surge. The majority of her products are handmade and labor intensive. She believes in giving back to the community and utilizes employees from Sunshine Village which provides opportunities to individuals with various challenges. Additionally, she has made 2014 "a year for fundraising" for various local charities.

The bottom line...persistence pays off. Harnessing creative talents with assistance provided by SBA can lead to success.

SUCCESS STORIES



Maestro-Connections Health Systems, LLC

Dr. George Kiongera

Dr. George Kiongera's story is truly remarkable when you look at how far he had to come, both literally and figuratively, to start and grow his company, Maestro-Connections Health Systems LLC. Of his background, Dr. Kiongera told me that, "It is only in this country that my story is possible. I came to the United States in July 2000 from Kenya and my only belongings were a suitcase that contained some personal items and a few travelers' checks." That he was able to complete his education in the United States and begin a thriving company that serves his local community is a wonderful success story.

In 2001 after Dr. Kiongera arrived in the U.S., he took an exam to get his GED and the next year he enrolled at the Northern Essex Community College before transferring to the University of Massachusetts in Lowell later. After school, Dr. Kiongera worked as a registered nurse at Massachusetts General Hospital before returning to school for his Master's and Doctorate degree to advance in the healthcare industry. In 2010, Dr. Kiongera decided to use what little he had saved while working as a Nurse Practitioner (NP) to start his own business, focusing on healthcare delivery systems.

After signing the lease to his office space, he realized that he had no working capital to operate the business. He wrote a home health agency business plan and presented it to two credit unions that he and his wife had been customers with for many years. After three months of correspondence, both banks declined to assist him. It was Timothy Hirbour, a Commercial Lending officer with Enterprise Bank who agreed to help Dr. Kiongera with an SBA approved loan of \$60,000 based on his business proposal. Then, two years later when the business found itself struggling with working capital after a lengthy and expensive accreditation process, he went back to Enterprise Bank and got a series of expedited SBA loans which helped put the company on the road to recovery.

Maestro-Connections Health Systems, LLC is now a thriving business with 160 employees working either full-time or part-time. Dr. Kiongera is very appreciative of Enterprise Bank and the SBA's support throughout his difficult road to this success. With this help, he was able to grow his company and continues to hire employees in the area. We are proud of what he has accomplished thus far and are excited to see what is in store for the future.



Photo Credit by David Salafia.

Roxy's Grilled Cheese

James DiSabatino

Roxy's Grilled Cheese is a success story for many reasons. The first and most important reason is because it provides high quality sandwiches to customers all over the Boston area and has been able to grow to employ nearly thirty full-time employees. Another success the company demonstrates, however, is the success of the food truck model for those looking to make a career in the restaurant business.

The company began by joining the food truck craze in 2011 with its first truck, and after testing its concept has expanded to a brick and mortar facility in Allston, Massachusetts. Founder James DiSabatino was a college student travelling with his brother's punk rock band during school vacations before he started Roxy's Grilled Cheese. The band travelled to Europe and he was inspired by all of the breads, meats, and cheeses each European city had to offer. He thought it would be fun to make higher-quality grilled cheese sandwiches for a living, and is now successfully doing so today.

It wasn't always easy getting started however. Mr. DiSabatino used a significant portion of his savings to purchase his first

food truck, and even lived in his car for some time. He wanted to start his business to do something different, and profit was not and still is not the entire motivation behind the business. To help grow Roxy's Grilled Cheese, Mr. DiSabatino enrolled in the SBA Streetwise MBA program, also known as the Emerging Leaders Initiative. With this initiative, participants are given the opportunity to work with experienced mentors, attend specialized workshops and develop connections with their peers, city leaders, and the financial community over the course of seven months. The classes Mr. DiSabatino began taking provided him with a great network of successful local business owners like himself, and the strong curriculum helped him explore and learn more about the parts of running a business that are challenging. "I never would have thought that I would learn more from being a business owner than studying to become one. It's incredible," said Mr. DiSabatino. He added, "Even on a bad day, I think about how much more I know today than I did yesterday. The SBA program came at the perfect time."

For more information on Roxy's Grilled Cheese, visit www.roxysgrilledcheese.com and for more information on the U.S. Small Business Administration, visit www.sba.gov.

COUNSELING

Getting Help to Start, Market and Manage Your Business



Found in more than 350 chapters and 800 locations throughout the country, SCORE provides key services – both face-to-face and online – to busy entrepreneurs who are just getting started or are in need of a seasoned business professional as a sounding board for their existing business. As members of your community, SCORE mentors understand local business licensing rules, economic conditions and important business networks. SCORE can help you as they have done for many entrepreneurs through the years by:

- Matching your specific needs with a business mentor
- Traveling to your place of business for an on-site evaluation
- Teaming with several SCORE mentors to provide you with tailored assistance in a number of business areas

Across the country, SCORE offers more than 10,000 local business educational workshops and seminars ranging in topic and scope depending on the needs of the local business community. SCORE workshops cover all manner of business topics, including: an introduction to the fundamentals of a business plan, managing cash flow and marketing your business. For established businesses, SCORE offers more in-depth training in areas like customer service, hiring practices and home-based businesses.

For around-the-clock business advice and information on the latest business news and trends visit www.sba.gov/score or call 800-634-0245 for the SCORE office nearest you. More than 1,200 online mentors with over 150 business skill sets answer your questions about starting and running a business.

For more information on SCORE and to get your own business mentor, visit www.SCORE.org.

Every year, the U.S. Small Business Administration and its nationwide network of resource partners help millions of potential and existing small business owners start, grow and succeed.

Whether your target market is global or just your neighborhood, the SBA and its resource partners can help at every stage of turning your entrepreneurial dream into a thriving business.

If you're just starting out, the SBA and its resources can help you with business and financing plans. If you're already in business, you can use the SBA's resources to help manage and expand your business, obtain government contracts, recover from disaster, find foreign markets, and make your voice heard in the federal government.

You can access SBA information at www.sba.gov or visit one of our local offices for assistance.

SBA'S RESOURCE PARTNERS

In addition to our district offices, which serve every state and territory, the SBA works with a variety of local resource partners to meet your small business needs: SCORE chapters, Small Business Development Centers (SBDCs), and Women's Business Centers (WBCs). This partner network reaches into communities across America: More than 13,000 business counselors, mentors and trainers available through over 900 Small Business Development Centers,

110 Women's Business Centers and 350 SCORE chapters. These professionals can help with writing a formal business plan, locating sources of financial assistance, managing and expanding your business, finding opportunities to sell your goods or services to the government, and recovering from disaster. To find your local district office or SBA resource partner, visit www.sba.gov/tools/local-assistance.

SCORE

SCORE is a national network of more than 11,000 entrepreneurs, business leaders and executives who volunteer as mentors to America's small businesses. SCORE volunteers donated more than 1.1 million hours providing services to small business clients. SCORE leverages decades of experience from seasoned business professionals to help entrepreneurs to start and grow companies and to create jobs in local communities. SCORE does this by harnessing the passion and knowledge of individuals who have owned and managed their own businesses and want to share this "real world" expertise with you.

ON THE UPSIDE

It's true, there are a lot of reasons not to start your own business. But for the right person, the advantages of business ownership far outweigh the risks.

- You get to be your own boss.
- Hard work and long hours directly benefit you, rather than increasing profits for someone else.
- Earnings and growth potential are unlimited.
- Running a business will provide endless variety, challenge and opportunities to learn.

SCORE CHAPTERS IN MASSACHUSETTS

Boston SCORE Chapter 20

Massachusetts SBA Office
10 Causeway St., Rm. 265
Boston, MA 02222-1093
617-565-5591
www.boston.score.org

Northeast Massachusetts SCORE Chapter 411

SCORE NE Massachusetts
c/o Lynn Area Chamber of Commerce
583 Chestnut St., Unit 8
Lynn, MA 01904
978-922-9441
info@scorenemass.org
www.scorenemass.org

Cape Cod SCORE Chapter 225

270 Communications Way, Ste. 5-B
Hyannis, MA 02601
508-775-4884 • 508-790-2540 Fax
capecodscore@verizon.net
www.scorecapecod.com

Southeastern Massachusetts SCORE Chapter 422

Metro South Chamber of Commerce
60 School St.
Brockton, MA 02301
508-587-2673 • 508-587-1340 Fax
www.sema.score.org

Western Massachusetts SCORE Chapter 228

Business Growth Center
Scibelli Enterprise Center, Bldg. 101
1 Federal St.
Springfield, MA 01105
413-785-0314 • 413-755-6101 Fax
contact.0228@scorevolunteer.org
www.westernmassachusetts.score.org

Worcester Regional SCORE Chapter 173

446 Main St.
Worcester, MA 01608
508-753-2929 • 508-754-8560 Fax
www.worcester.score.org

SMALL BUSINESS DEVELOPMENT CENTERS

The U.S. Small Business Administration's Small Business Development Centers (SBDC) mission is to build, sustain, and grow small businesses; as well as to promote small business development and enhance local economies by creating businesses and fulfilling its mission of creating jobs.

The Small Business Development Centers, vital to SBA's entrepreneurial outreach, have been providing service to small businesses for almost 35 years. It is one of the largest professional small business management and technical assistance networks in the nation. With over 900 locations across

the country, SBDCs offer existing and future entrepreneurs free one-on-one expert business counseling and low-cost training by qualified small business professionals.

In addition to its core services, the SBDCs offer special focus areas such as green business technology, disaster recovery and preparedness, export assistance, international trade assistance, veteran's assistance, technology transfer and regulatory compliance.

The program combines a unique combination of federal, state and private sector resources to provide, in every state and territory, the foundation for the economic growth of small businesses. The return on investment is demonstrated by the program's success during FY2013.

- Assisted more than 14,200 entrepreneurs to start new businesses – equating to nearly 39 new business starts per day.
- Provided counseling services to more than 104,000 emerging entrepreneurs and over 96,000 existing businesses.
- Provided training services to approximately 330,000 clients.

The efficacy of the SBDC program has been validated by a nationwide impact study. Of the clients surveyed, more than 80 percent reported that the business assistance they received from the SBDC counselor was worthwhile. The top five impacts of counseling cited by SBDC clients were revising marketing strategy, increasing sales, expanding products and services, improving cash flow and increasing profit margin. More than 40 percent of long-term clients receiving five hours or more of counseling reported an increase in sales and profit margins.

For information on the SBDC program, visit www.sba.gov/sbdc.

SBDC Locations in Massachusetts

www.msbdcc.org

State Office

Georgianna Parkin, State Director
Tillson House
University of Massachusetts Amherst
23 Tillson Farm Rd.
Amherst, MA 01003
413-545-6301
www.msbdcc.org/

Berkshire Regional Office

Keith Girouard, Regional Director
33 Dunham Mall, Ste. 103
Pittsfield, MA 01201
413-499-0933
www.msbdcc.org/berkshire/

Boston Regional Office & Minority Business Center

Mark Allio, Regional Director
University of Massachusetts
Wheatley Hall, 3rd Fl., Ste. 154-10
100 Morrissey Blvd.
Boston, MA 02125
617-287-7750
www.sbdcc.umb.edu/

Central Regional Office

John Rainey, Regional Director
Clark University
125 Woodland St., Carriage House
First Fl. Right
Worcester, MA 01610
508-793-7615
www.clarku.edu/offices/sbdcc/

Northeast Regional Office

Salem State University
Enterprise Center
121 Loring Ave., Ste. 310
Salem, MA 01970
978-542-6343
<http://sbdcc.salemstate.edu/>

Southeast Regional Office

200 Pocasset St.
Fall River, MA 02721
508-673-9783
www.msbdcc.org/semass/

Western Regional Office

Dianne Fuller Doherty, Regional Director
Business Growth Center
Scibelli Enterprise Center, Bldg. 101
1 Federal St.
Springfield, MA 01105
413-737-6712
www.msbdcc.org/wmass/

Massachusetts Export Center

Paula Murphy, Director
State Transportation Bldg.
10 Park Plaza, Ste. 3730
Boston, MA 02116
617-973-8664
www.mass.gov/export/

Procurement Technical Assistance Center

Peter Cokotis, Program Manager
Business Growth Center
Scibelli Enterprise Center, Bldg. 101
1 Federal St.
Springfield, MA 01105
413-545-6307
www.msbdcc.org/ptac/

U.S. Export Assistance Centers

SBA trade finance specialists are located in 19 U.S. Export Assistance Centers throughout the U.S., which also are staffed by U.S. Department of Commerce and, in some locations, Export-Import Bank of the U.S. personnel, providing trade promotion and export-finance assistance in a single location. The USEACs also work closely with other federal, state and local international trade

organizations to provide assistance to small businesses. To find your nearest USEAC, visit: <http://www.sba.gov/content/us-export-assistance-centers>. You can find additional export training and counseling opportunities by contacting your local SBA district office.

U.S. Export Assistance Center

John F. Kennedy Federal Bldg., Ste. 1826A
55 New Sudbury St.
Boston, MA 02203
John Joyce, Regional Export Finance Mgr.
617-565-4305 • 617-565-4313 Fax
john.joyce@sba.gov

WOMEN'S BUSINESS CENTERS

The SBA's Women Business Center (WBC) program is a network of over 100 community-based centers that provide business training, counseling, coaching, mentoring and other assistance geared toward women, particularly those who are socially and economically disadvantaged. WBCs are located in nearly every state and U.S. territory including the District of Columbia and the territories of Puerto Rico and American Samoa. They are partially funded through a cooperative agreement with the SBA.

To meet the needs of women entrepreneurs, WBCs offer services at convenient times and locations, including evenings and weekends. WBCs are located within non-profit host organizations that offer a wide variety of services in addition to the services provided by the WBC. Many of the WBCs also offer training and counseling and provide materials in different languages in order to meet the diverse needs of the communities they serve.

WBCs often deliver their services through long-term training or group counseling, both of which have shown to be effective. WBC training courses are often free or are offered for a small fee. Some centers will also offer scholarships based on the client's needs.

While most WBCs are physically located in one designated location, a number of WBCs also provide courses and counseling via the Internet, mobile classrooms and satellite locations. WBCs have a track record of success. In fiscal year 2013, the WBC program counseled and trained nearly 134,000 clients, creating local economic growth and vitality. In addition, WBCs helped entrepreneurs access more than

\$25 million dollars in capital. Based on a 2010 Impact Study, of the WBC clients that have received three or more hours of counseling, 15 percent indicated that the services led to hiring new staff, 34 percent indicated that the services led to an increased profit margin, and 47 percent indicated that the services led to an increase in sales.

In addition, the WBC program has taken a lead in preparing women business owners to apply for the Women-Owned Small Business (WOSB) Federal Contract program that authorizes contracting officers to set aside certain federal contracts for eligible women-owned small businesses or economically disadvantaged women-owned small businesses. For more information on the program, visit www.sba.gov/wosb.

To find the nearest SBA WBC, visit www.sba.gov/women.

Center for Women & Enterprise

Boston

24 School St., 7th Fl.
Boston, MA 02108
617-536-0700 • 617-536-7373 Fax
info@cweonline.org

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CWE provides education, technical assistance, networking, access to capital, and access to markets through multi-week courses, workshops, and women's business certification.

Resources for Women

SBA's online women's business center:
www.onlinewbc.gov

SBA EMERGING LEADERS

The intense seven-month entrepreneurship training for small business leaders creates a learning environment to accelerate the growth of high-potential small businesses, stimulates job creation and helps drive economic development within their communities. A competitive selection process results in company executives participating in high-level training and peer-networking sessions led by professional instructors. Graduates are poised to create an economic ripple effect because they are now equipped with the support, resources and enhanced business skills to succeed in increasing their revenue, creating jobs and driving sustainable economic growth throughout their communities.

Impact of Emerging Leaders:

The initiative is currently offered in 27 underserved communities across the country with plans to expand to more communities in 2015. Over 2,500 businesses have participated in Emerging Leaders since its inception. An independent impact study of Emerging Leaders past participants reported that they:

- Created nearly 2,000 new full-time jobs
- Secured federal, state, local and tribal contracts awards over \$1 Billion
- Accessed over \$73 Million in new financing
- 95% were satisfied with the Emerging Leaders program.

Visit www.sba.gov/emergingleaders for more information.

Congratulations to the E200 Class of 2014.

Just Drains provides quality 24 hr. emergency drain cleaning and sewer line maintenance services. The firm maintains the drains and sewer lines for homes and companies all over Massachusetts.

Guardian Healthcare provides quality home care services, support and advocacy for their patients.

Camio Custom Cabinetry is a full service custom cabinetry shop servicing the residential market and now, the commercial market in the Greater Boston area.

MUSA Technology Partners started working in information technology, but quickly evolved into a world-class lab IT company, with deep experience in life sciences and lab support.

Arvest Press is a full scale, full service woman-owned printing company located in Waltham, offering a full range of services, including in house die cutting and full color printing.

Roxy's Grilled Cheese offers a variety of new twists on an old favorite from a food truck, and now, a restaurant.

Mimoco is a Boston-based design house that fuses the art of contemporary characters with the functionality of personal data storage devices.

Taino Consulting Group can help a business improve cyber security, physical security, and emergency management.

Boston Baking is a 4th generation family-owned and operated wholesale baker of bagels, cookies, scones and seasonal items.

Tremendous Maid is a family-owned business and approaches cleaning as a vehicle to enhance the quality of life for its clients.

Johnston & Papakyrikos, CPA provides business tax planning, preparation and experienced IRS representation to help clients keep more of what they earn.

Suzhou-Chem Inc. is an importer and distributor of food additives. They provide high intensity sweeteners, vitamins and raw materials for food, feed, beverage and nutritional supplement manufacturers.

Elite Protective Services offers local security services for both home and corporate needs. Elite offers both foot and vehicle monitoring of property.

SBA'S LEARNING CENTER

SBA's Learning Center is a virtual campus complete with free online courses, workshops, podcasts and learning tools.

Key Features of the SBA's Learning Center:

- Training is available anytime and anywhere — all you need is a computer (or mobile device) with Internet access.
- Nearly 50 free online and interactive courses and workshops available.
- Checklists and worksheets to get your business planning underway.
- Course topics include how to write a business plan, financing options that include SBA lending programs, mastering overseas markets through exporting, public sector procurement tactics, and specialty

AWARD WINNERS

Massachusetts Small Business Week 2014 Award Winners

Small Business Person of the Year Award

Golden Cannoli Shells Company, Inc.
Chelsea, MA

Small Business Exporter of the Year Award

Randolph Engineering
Randolph, MA

8(a) Graduate of the Year Award

Nobis Engineering, Inc.
Concord, NH

Jeffery Butland Family Owned Small Business of the Year Award

Modern Pastry, Inc.
Boston, MA

Small Business Manufacturer of the Year Award

TEK Microsystems, Inc.
Chelmsford, MA

Financial Services Award

Maria Gooch-Smith
Executive Director
SEED Corporation
Taunton, MA

Veteran Owned Small Business of the Year Award

Veterans Group LLC (Reconcraft)
Newton, MA

Minority Small Business of the Year Award

Masacote Entertainment LLC
Boston, MA

Woman Owned Small Business of the Year Award

Dnutch Associates, Inc.
Methuen, MA

material for veterans, young entrepreneurs, and women business owners.

- Over 10 new courses launched in the last year; including a new Spanish-language version of a course for Young Entrepreneurs. This robust portal also includes video content, templates, and articles.

Visit www.sba.gov/learning for these free resources.

SBA'S CLUSTER INITIATIVE

Every small business must effectively connect into the key relationships necessary to drive success in its particular industry or market sector. Regional Innovation Clusters act as a networking hub to connect small businesses in a particular industry sector and geographic region with other business innovators in the same sector and with specialized suppliers, research institutions, large prime customers or contractors and investors who also operate in that sector. In addition, market success requires small businesses to know their customers

and target their product development dollars efficiently. Therefore, through intensive, industry-specific technical assistance, our Clusters help small business innovators commercialize promising technologies needed by government and industry buyers in that particular sector. And then, through showcasing, networking and "demonstration events," they help get these small businesses and their products in front of investment and other funding sources, research institutions and customers/buyers in order to bring products to market.

Across the country, our resource partners work with our Regional Innovation Clusters: The resource partners provide the businesses with information and coaching on the key building blocks of business success, while the Cluster experts help them with the highly technical product development and relationship-building assistance necessary to get and keep customers and investors in their particular market sector (such as smart-grid, fuel cell energy storage, solar cells, imaging, aerospace, and agricultural processing technologies and networks).

For more information on SBA's Cluster Initiative, go to www.sba.gov/clusters.

FINANCIAL LITERACY

If you want to start a business or learn how to better manage your business money, begin with Money Smart. SBA and FDIC jointly provide an instructor-led business training curriculum, Money Smart for Small Business, for free. This curriculum is designed to provide introductory-style training for new and aspiring entrepreneurs. The 10 modules provide the most essential information on running a small business from a financial standpoint. In addition to grounding participants in the basics, the curriculum serves as a foundation for more advanced training and technical assistance. You can find this curriculum by visiting www.sba.gov/moneysmart.

To learn more about the Financial Literacy and Education Commission, visit www.mymoney.gov.



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REACHING UNDERSERVED COMMUNITIES

The SBA also offers a number of programs specifically designed to meet the needs of the underserved communities..

WOMEN BUSINESS OWNERS

Women entrepreneurs are changing the face of America's economy. In the 1970s, women owned less than 5 percent of the nation's businesses.

Today, they are majority owners of about a third of the nation's small businesses and are at least equal owners of about half of all small businesses. SBA serves women entrepreneurs nationwide through its various programs and services, some of which are designed especially for women.

The SBA's Office of Women's Business Ownership (OWBO) serves as an advocate for women-owned businesses. The office oversees a nationwide network over 100 Women's Business Centers that provide business training, counseling and mentoring geared specifically to women, especially those who are socially and economically disadvantaged. The program is a public-private partnership with locally-based nonprofits.

Women's Business Centers serve a wide variety of geographic areas, population densities, and economic environments, including urban, suburban, and rural. Local economies vary from depressed to thriving, and

range from metropolitan areas to entire states. Each Women's Business Center tailors its services to the needs of its individual community, but all offer a variety of innovative programs, often including courses in different languages. They provide training in finance, management, and marketing, as well as access to all of the SBA's financial and procurement assistance programs.

VETERAN BUSINESS OWNERS

The Office of Veterans Business Development (OVBD), established with Public Law 106-50, has taken strides in expanding assistance to veteran, service-disabled veteran small business owners and reservists by ensuring they have access to SBA's full-range of business/technical assistance programs and services, and that they receive special consideration for SBA's entrepreneurial programs and resources.

The SBA's Veterans Office provides funding and collaborative assistance for a number of special initiatives targeting local veterans, service-disabled veterans, and Reserve Component members. These initiatives include Veterans Business Outreach Centers (VBOCs), the business assistance tools –Balancing Business and Deployment, and Getting Veterans Back to Business, which includes interactive CD ROMs for reservists to help prepare for mobilization and/or reestablishment of businesses upon return from active duty.

The agency offers special assistance for small businesses owned by activated Reserve and National Guard members. Any self-employed Reserve or Guard member with an existing SBA loan can request from their SBA lender or SBA district office loan payment deferrals, interest rate reductions and other relief after they receive their activation orders. In addition, the SBA offers special low-interest-rate financing to small businesses when an owner or essential employee is called to active duty. The Military Reservist Economic Injury Disaster Loan Program (MREIDL) provides loans up to \$2 million to eligible small businesses to cover operating costs that cannot be met due to the loss of an essential employee called to active duty in the Reserves or National Guard.

Each of the SBA's 68 District Offices also has a designated veteran's business development officer. These local points-of-contact assist veteran small business owners/entrepreneurs with starting, managing and growing successful businesses. Yearly, OVBD reaches thousands of veterans, Reserve component members, transitioning service members and others who are – or who want to become – entrepreneurs and small business owners. In fiscal year 2012, the number of veterans assisted through OVBD programs exceeded 135,000. For more information about OVBD, please visit www.sba.gov/veterans.

NATIONAL BOOTS TO BUSINESS INITIATIVE

The aptly named Operation Boots to Business program (B2B) builds on SBA's role as a national leader in entrepreneurship training. The program's mission is to develop veteran entrepreneurs from the approximately 250,000 service members who transition from the military each year. Boots to Business is an entrepreneurial education program offered as an elective track within the Department of Defense's revised Transition Assistance Program called Transition Goals, Plans, Success (Transition GPS). The curriculum provides valuable assistance to transitioning service members exploring self-employment opportunities by leading them through the key steps for evaluating business concepts and the foundational knowledge required for developing a business plan. Participants are also introduced to SBA resources available to help access start up capital and additional technical assistance. Boots to Business is delivered in partnership with SBA resource partners and the Institute for Veterans and Military Families at Syracuse University. It is available free of charge at participating installations to service members and their dependents transitioning or retiring from the U.S. military.

The program has three parts: 1) The Entrepreneurship Track Overview - an introductory video shown during the mandatory five day Transition GPS course; 2) Introduction to Entrepreneurship – a two day classroom course offered as one of the three



REACHING UNDERSERVED COMMUNITIES

Transition GPS elective tracks; and, 3) Foundations of Entrepreneurship – an eight week instructor led online course that offers in-depth instruction on the elements of a business plan and tips and techniques for starting a business. After completing the course, counselors and mentors from SBA's resource partner network remain available to work with veterans in their local communities. For more information about B2B, please visit www.sba.gov/bootstobusiness.

CENTER FOR FAITH-BASED AND NEIGHBORHOOD PARTNERSHIPS

SBA's Center for Faith-Based and Neighborhood Partnerships (The Partnership Center) works to engage and build strong partnerships with community and nonprofit organizations, both secular and faith-based, to support entrepreneurship, economic growth and promote prosperity for all Americans. The center works in coordination with other offices within the Agency to assist in formulating policies and practices with the goal of extending the reach and impact of SBA programs into communities. SBA recognizes the important role of community leaders and networks in economic development at the local and national level, and that partnerships provide effective and efficient leverage for SBA programs. Further, the center plays a key role in helping identify, engage and impact underserved communities.

The program engages in outreach, technical assistance, education, formulates and administers training programs, coordinates entrepreneurial and business development opportunities and access to SBA's 68 district offices and extensive network of resource grant partners. The center additionally works with the White House Office of Faith-Based and Neighborhood Partnerships and the Faith-Based and Neighborhood Partnership Centers that are within 13 additional federal agencies, and participates in interagency working groups to ensure effective and efficient coordination of resources and initiatives.

The center was established by, and follows the guidelines, operational policy and statutory requirements of Executive Order 13279 — Fundamental Principles and Policymaking Criteria for Partnerships with Faith-Based and Other Neighborhood Organizations.

NATIVE AMERICAN BUSINESS DEVELOPMENT

The SBA Office of Native American Affairs (ONAA) ensures that American Indians, Alaska Natives and Native Hawaiians seeking to create, develop and expand small businesses have full access to business development and expansion tools available through the agency's entrepreneurial development, lending, and contracting programs.

The office provides a network of training initiatives that include a Native Entrepreneurial Empowerment Workshop, a Native American 8(a) Business Development Workshop, a Money Smart Workshop, an Incubator Workshop and the online tool, "Small Business Primer: Strategies for Growth". ONAA also is responsible for consulting with tribal governments prior to finalizing SBA policies that may have tribal implications.

Visit www.sba.gov/naa for more information.

VETERANS BUSINESS OUTREACH CENTERS

The Veterans Business Outreach Program (VBOP) is designed to provide entrepreneurial development services such as business training, counseling and mentoring, and referrals for eligible veterans owning or considering starting a small business. The SBA has 15 organizations participating in this cooperative agreement and serving as Veterans Business Outreach Centers (VBOC) across the country. Services provided by VBOC's include: pre-business plan workshops, concept assessments, business plan preparations, comprehensive feasibility analysis, entrepreneurial training and counseling, mentorship, and other business-development related services.

VBOCs also provide assistance and training in such areas as international trade, franchising, Internet marketing, accounting, etc. For a VBOC directory, please visit www.sba.gov/vets.

Massachusetts Veterans Business Development Specialist

Raymond Milano
617-565-7256
raymond.milano@sba.gov
www.sba.gov/vets

Northeast Veterans Business Resource Center (NEVBRC)

Walter Wise, President & CEO
P.O. Box 52113
Boston, MA 02205
617-938-3933 • 603-262-1503 Fax
info@nevbrc.org
www.nevbrc.org

SBA also administers two contracting and business development programs that are specifically designed to benefit underserved communities. For more information on the 8(a) Business Development Program and the HUBZone Program, see the Contracting section.

Young Entrepreneurs

The SBA recognizes the importance of fostering young entrepreneurs and small business owners and their role in the economy. The SBA offers different activities and resources throughout the year aimed at aspiring young entrepreneurs, including social media outreach and customized online courses. The SBA also works with other federal agencies to provide various activities for this market (www.findyouthinfo.gov). To find more information, visit www.sba.gov/young.

Encore Entrepreneurs

To help meet the needs of "encore entrepreneurs," SBA and AARP have joined forces to mentor, counsel, and educate Americans age 50 and over on how to start or grow a small business. Through this partnership, SBA and AARP collaborate to connect the 50+ population to small business development resources, including online courses, live workshops, conferences, and mentoring activities. For additional information, visit www.sba.gov/encore.



ARE YOU RIGHT FOR SMALL BUSINESS OWNERSHIP?

Most new business owners who succeed have planned for every phase of their success. Thomas Edison, the great American inventor, once said, "Genius is 1 percent inspiration and 99 percent perspiration." That same philosophy also applies to starting a business.

First, you'll need to generate a little bit of perspiration deciding whether you're the right type of person to start your own business.

IS ENTREPRENEURSHIP FOR YOU?

There is simply no way to eliminate all the risks associated with starting a small business, but you can improve your chances of success with good planning, preparation and insight. Start by evaluating your strengths and weaknesses as a potential owner and manager of a small business. Carefully consider each of the following questions:

- **Are you a self-starter?** It will be entirely up to you to develop projects, organize your time, and follow through on details.
- **How well do you get along with different personalities?** Business owners need to develop working relationships with a variety of people including customers, vendors, staff, bankers, employees and professionals such as lawyers, accountants, or consultants. Can you deal with a demanding client, an unreliable vendor, or a cranky receptionist if your business interests demand it?
- **How good are you at making decisions?** Small business owners are required to make decisions constantly – often quickly, independently, and under pressure.
- **Do you have the physical and emotional stamina to run a business?** Business ownership can be exciting, but it's also a lot of work. Can you face six or seven 12-hour workdays every week?
- **How well do you plan and organize?** Research indicates that poor planning is responsible for most business failures. Good organization — of financials, inventory, schedules, and production — can help you avoid many pitfalls.
- **Is your drive strong enough?** Running a business can wear you down emotionally. Some business owners burn out quickly

from having to carry all the responsibility for the success of their business on their own shoulders. Strong motivation will help you survive slowdowns and periods of burnout.

- **How will the business affect your family?** The first few years of business start-up can be hard on family life. It's important for family members to know what to expect and for you to be able to trust that they will support you during this time. There also may be financial difficulties until the business becomes profitable, which could take months or years. You may have to adjust to a lower standard of living or put family assets at risk.

Once you've answered these questions, you should consider what type of business you want to start. Businesses can include franchises, at-home businesses, online businesses, brick-and-mortar stores or any combination of those.

FRANCHISING

There are more than 3,000 business franchises. The challenge is to decide on one that both interests you and is a good investment. Many franchising experts suggest that you comparison shop by looking at multiple franchise opportunities before deciding on the one that's right for you.

Some of the things you should look at when evaluating a franchise: historical profitability, effective financial management and other controls, a good image, integrity and commitment, and a successful industry.

In the simplest form of franchising, while you own the business, its operation is governed by the terms of the franchise agreement. For many, this is the chief benefit for franchising. You are able to capitalize on a business format, trade name, trademark and/or support system provided by the franchisor. But you operate as an independent contractor with the ability to make a profit or sustain a loss commensurate with your ownership.

If you are concerned about starting an independent business venture, then franchising may be an option for you. Remember that hard work, dedication and sacrifice are key elements in the success of any business venture, including a franchise.

Visit www.sba.gov/franchise for more information.

HOME-BASED BUSINESSES

Going to work used to mean traveling from home to a plant, store or office. Today, many people do some or all their work at home.

Getting Started

Before diving headfirst into a home-based business, you must know why you are doing it. To succeed, your business must be based on something greater than a desire to be your own boss. You must plan and make improvements and adjustments along the road.

Working under the same roof where your family lives may not prove to be as easy as it seems. One suggestion is to set up a separate office in your home to create a professional environment.

Ask yourself these questions:

- Can I switch from home responsibilities to business work easily?
- Do I have the self-discipline to maintain schedules while at home?
- Can I deal with the isolation of working from home?

Legal Requirements

A home-based business is subject to many of the same laws and regulations affecting other businesses.

Some general areas include:

- **Zoning regulations.** If your business operates in violation of them, you could be fined or shut down.
- **Product restrictions.** Certain products cannot be produced in the home. Most states outlaw home production of fireworks, drugs, poisons, explosives, sanitary or medical products and toys. Some states also prohibit home-based businesses from making food, drink or clothing.

Be sure to consult an attorney and your local and state departments of labor and health to find out which laws and regulations will affect your business. Additionally, check on registration and accounting requirements needed to open your home-based business. You may need a work certificate or license from the state. Your business name may need to be registered with the state. A separate business telephone and bank account are good business practices.

Also remember, if you have employees you are responsible for withholding income and Social Security taxes, and for complying with minimum wage and employee health and safety laws.

After you've thought about what type of business you want, the next step is to develop a business plan. Think of the business plan as a roadmap with milestones for the business. It begins as a pre-assessment tool to determine profitability and market share, and then expands as an in-business assessment tool to determine success, obtain financing and determine repayment ability, among other factors.

Creating a comprehensive business plan can be a long process, and you need good advice. The SBA and its resource partners, including Small Business Development Centers, Women's Business Centers, Veterans Business Outreach Centers, and SCORE, have the expertise to help you craft a winning business plan. The SBA also offers online templates to get you started.

In general, a good business plan contains:

Introduction

- Give a detailed description of the business and its goals.
- Discuss ownership of the business and its legal structure.

- List the skills and experience you bring to the business.
- Discuss the advantages you and your business have over competitors.

Marketing

- Discuss the products and services your company will offer.
- Identify customer demand for your products and services.
- Identify your market, its size and locations.
- Explain how your products and services will be advertised and marketed.
- Explain your pricing strategy.

Financial Management

- Develop an expected return on investment and monthly cash flow for the first year.
- Provide projected income statements and balance sheets for a two-year period.
- Discuss your break-even point.
- Explain your personal balance sheet and method of compensation.
- Discuss who will maintain your accounting records and how they will be kept.

- Provide "what if" statements addressing alternative approaches to potential problems.

Operations

- Explain how the business will be managed day-to-day.
- Discuss hiring and personnel procedures.
- Discuss insurance, lease or rent agreements.
- Account for the equipment necessary to produce your goods or services.
- Account for production and delivery of products and services.

Concluding Statement

Summarize your business goals and objectives and express your commitment to the success of your business. Once you have completed your business plan, review it with a friend or business associate and professional business counselor like SCORE, WBC or SBDC representatives, SBA district office economic development specialists or veterans' business development specialists.

Remember, the business plan is a flexible document that should change as your business grows.

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CAPITAL

Financing Options to Start or Grow Your Business



Many entrepreneurs need financial resources to start or expand a small business and must combine what they have with other sources of financing. These sources can include family and friends, venture-capital financing and business loans.

This section of the Small Business Resource guide discusses SBA's primary business loan and equity financing programs. These are: the 7(a) Loan Program, the Certified Development Company or 504 Loan Program, the Microloan Program and the Small Business Investment Company Program. The distinguishing features for these programs are the total dollar amounts that can be borrowed, the type of lenders who can provide these loans, the uses for the loan proceeds and the terms placed on the borrower. The SBA does not provide grants to individual business owners to start or grow a business.

SBA BUSINESS LOANS

If you are contemplating a business loan, familiarize yourself with the SBA's business loan programs to see if they may be a viable option. The SBA has a variety of loan programs which are distinguished by their different uses of the loan proceeds, their dollar amounts, and the requirements placed on the

actual lenders. The three principal players in most of these programs are the applicant small business, the lender and the SBA. The Agency does not actually provide the loan, but rather they guaranty a portion of the loan provided by a lender (except for microloans). The lender can be a regulated bank or credit union, or a community based lending organization.

The business applies directly to a lender by providing them the documents they require. Generally an application includes a business plan that explains what resources will be needed to accomplish the desired business purpose including the associated costs, the applicants' contribution, planned uses for the loan proceeds, a listing of the assets that will secure the loan (collateral), a history of the business and explanation of how the business generates income, and most important, an explanation of how the business will be able to repay the loan in a timely manner.

The lender will analyze the application to see if it meets their criteria and make a determination if they will need an SBA guaranty in order to provide the loan. SBA will look to the lender to do much, if not all, of the analysis before it provides its guaranty to the lender's proposed loan. The SBA's business loan guaranty programs provide a key source of financing for viable small businesses

that have real potential but cannot qualify for credit on reasonable terms by themselves.

In the case of microlenders, SBA lends monies to intermediaries at favorable rates so they can re-lend to businesses with financing needs up to \$50,000.

7(a) LOAN PROGRAM

The 7(a) Loan program is the SBA's primary business loan program. It is the agency's most frequently used non-disaster financial assistance program because of its flexibility in loan structure, variety of uses for the loan proceeds and availability. The program has broad eligibility requirements and credit criteria to accommodate a wide range of financing needs.

Congress authorized SBA to provide financial assistance either directly or in cooperation with banks or other financial institutions through agreements to participate in section 7(a) of the Small Business Act. Historically, a 7(a) loan was provided either directly from SBA or from regulated lenders who provided the loan after they obtained a guaranty from SBA. Since 1996, all 7(a) loans have only been provided on a guaranteed basis, meaning from a lender participating in the 7(a) Loan Guaranty Program.

The business loans that SBA guarantees do not come from the Agency, but rather from banks and other approved lenders. The loans are funded by these organizations and they make the decisions to approve or deny the applicants' request for financial assistance.

The guaranty that SBA provides the lender reduces the lender's risk of borrower non-payment because the guaranty assures the lender that if the borrower defaults, the lender can request that SBA pay the debt rather than the borrower. SBA only guarantees a portion or percentage of every loan not the whole debt, so in the event of default the lender will only get partially repaid by SBA. This means that if the borrower can't make the payments and defaults, the lender can recover the guaranteed portion of the defaulted debt from the SBA. The borrower is still obligated for the full amount.

To qualify for an SBA guaranteed loan, a small business must meet the lender's criteria and the 7(a) program requirements. One of those requirements is that the lender must certify that it would not provide this loan under the proposed terms and conditions without an SBA guaranty. If the SBA is going to provide a lender with a guaranty, the applicant must be eligible and creditworthy and the loan structured under conditions acceptable to the SBA.

The 7(a) Program includes ten (10) types of loans which all share certain eligibility requirements but which also have some different requirements so they can accommodate specific business needs and/or give lenders greater flexibility with loan structure. The most popular 7(a) loan type is the Basic 7(a) Loan, which can be used for the most diverse purposes. The other nine 7(a) loan types are variations of the Basic 7(a) Loan with different uses for the loan proceeds and alternative structures.

To be eligible for any of the 7(a) loans, the recipients must be both eligible and creditworthy. In addition the applicant business must:

1. Be an operating business (except for loans to Eligible Passive Companies);
2. Be organized for profit;
3. Be located in the United States;
4. Be able to demonstrate a need for the desired credit.
5. Be a business, along with its Affiliates, that meets SBA's Size Standard Requirements.
6. Be a business that is not engaged in a prohibited business activity or owned by a non-qualified owner, or located at a prohibited place.
7. Use the Loan Proceeds for only acceptable purposes, which includes proceeds to start-up a new business, buy an existing business, acquire machinery & equipment and/or furniture & fixtures, acquire or renovate a building which the business will occupy, permanent working capital, and refinancing existing business debt under certain conditions. Proceeds from a Basic 7(a) cannot be used to buy investments that are held for their potential appreciation, or to be provided to an associate of the business except under very limited circumstances.
8. Be able to demonstrate that it can't get the proceeds from its own resources or those of its principal owners and the lender must certify that they would only approve the loan if it is able to obtain a guaranty from SBA.
9. Have ownership that is of good character
10. Be able to satisfy any miscellaneous eligibility requirements that may be imposed on a loan request based on the circumstances of the case including, but not limited to the purpose of the loan.

THE BASIC 7(a) LOAN

The Basic 7(a) Loan is the most commonly provided type of SBA business loan based on historical dollars approved. They are the most flexible types of SBA loans because they can help finance such a large variety of business purposes for the largest number of business types, engaged in the widest spectrum of activities.

In the Federal Government's 2013 Fiscal Year (October 1, 2012 to September 30, 2013) about 80 percent

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A Sample of Small Business Lending Transactions in 2014

ACTON, MA IT Consulting \$2,000,000 CAP LINE OF CREDIT February 2014	CAMBRIDGE, MA Retail \$348,000 SBA EXPRESS TERM LOAN August 2014	BOSTON, MA Law Firm \$150,000 SBA EXPRESS LINE OF CREDIT December 2014	HINGHAM, MA Insurance Agency \$60,000 SBA EXPRESS TERM LOAN November 2014	BOSTON, MA Flooring Contractor \$200,000 SBA EXPRESS LINE OF CREDIT September 2014	ARLINGTON, MA Retail \$50,000 SBA EXPRESS TERM LOAN September 2014
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Lender NMLS# 449250. Neither the lender, nor any of its borrowers, will enjoy preferential treatment from the SBA.

What to Take to the Lender

Documentation requirements will vary depending upon the purpose of the loan. Contact your lender for the information you must supply.

Common requirements include the following:

A Business Plan that includes:

- Purpose of the loan
- History of the business
- Projections of income, expenses and cash flow as well as an explanation of the assumptions used to develop these projections
- Personal financial statements on the principal owners
- Resume(s) of the principal owners and managers.
- Amount of investment in the business by the owner(s)
- Projected opening-day balance sheet (new businesses)
- Lease details
- Proposed Collateral

Financial Statements that include:

- Balance Sheet and Income Statement (P&L) for three years (existing businesses) (Tax Returns usually suffice)
- Interim Financial Statements dated within 180 days of the request for assistance
- Schedule of term debts (existing businesses)
- Aging of accounts receivable and payable (existing businesses)

How the 7(a) Program Works

Small Business applicant assembles their request for financing based on the intended purpose of the proposed loan and what documents the lender requires. A loan to help a moving company acquire a new truck will be less involved than a loan to acquire or start-up a business. The paperwork can be completed on either a business loan application provided by the lender or an SBA application, but using the SBA forms does not actually increase the change an applicant has in getting a business loan. The applicant then submits their loan application to a lender for the initial review. If the applicant is applying for their first business loan, it is recommended that the selected lender be the one who maintains the personal account of the owner(s).

The lender will generally review the credit merits of the request before deciding if they will make the loan themselves or if they will need an SBA guaranty. If a guaranty is needed, the lender will also review the application

for SBA eligibility. The applicant should be prepared to complete some additional documents if the lender says they need an SBA guaranty for approval. Applicants who feel they need more help with the process should contact their local SBA district office or one of the SBA's resource partners for assistance.

There are several ways a lender can request a 7(a) Guaranty for a proposed business loan from SBA. The main differences between these processing methods are based on the experience the lender has in requesting guarantees from SBA, the documentation the lender provides to SBA, the amount of review the SBA conducts after receiving the request, the amount of the loan and the lender responsibilities in case the loan defaults and the business' assets must be liquidated. The current different processing methods are:

- Standard 7(a) Guaranty
- Certified Lender Program
- Preferred Lender Program
- SBA Express
- Export Express
- Community Advantage

When a lender requests a 7(a) guaranty for a business loan they propose to provide a small business their application consist of two parts. The applicant fills out SBA Form 1919 while the lender completes SBA Form 1920. The Form 1919 is designed for the applicant to explain what they intend to do with the money and how they will repay the loan. The Form 1920 requires the lender to explain their analysis of the eligibility and credit merits of the request.

When the request loan amount is smaller (generally under \$350,000) the lender is allowed to provide SBA with less information in their application for guaranty but that does not mean the applicant business can provide the lender with less information. The lender has the ability to ask the applicant for as much detail as they believe is necessary for them to make their decision on the specific request.

When the SBA receives a request for guaranty from a lender they will either re-analyze, review or trust the lender's eligibility and credit analysis before deciding to approve or reject the request. See the section on 7(a) Loan Processing from Lenders later on in this article for more detail on what SBA does when it receives a request for guaranty from the lender.

By guaranteeing a loan, the SBA assures the lender that, in the event the borrower does not repay the loan, the government will reimburse the lending institution for a percentage of the amount owed. By providing this guaranty, the SBA is able to help tens of thousands of small businesses every year get financing they might not otherwise obtain.

When SBA approves a guaranty they notify the lender who will work with the applicant to make sure the terms and conditions designed for the specific loan are met before closing. The lender also disburses the funds and assumes responsibility for collecting the payments and general servicing. The borrower makes loan payments directly to the lender. As with any loan, the borrower is obligated to repay the full amount of the loan in a timely manner.

What the SBA Looks for:

- Ability to repay the loan on time from the projected operating cash flow;
- Owners and operators who are of good character;
- Feasible business plan;
- Management expertise and commitment necessary for success;
- Sufficient funds, including (but not limited to) the SBA guaranteed loan, to operate the business on a sound financial basis (for new businesses, this includes the resources to meet start-up expenses and the initial operating phase);
- Adequate equity invested in the business; and
- Enough collateral to fully secure the loan or, all worthwhile available business collateral plus personal real estate if the loan cannot be fully secured.

The Impact of a Credit Score

SBA also credit scores every business that is a potential recipient of a loan guaranteed by SBA. If the loan is for \$350,000 or less, the credit score obtained will have a significant impact on the amount of work the lender has to complete when applying for an SBA guaranty. As such it is important for any owner of a potential business loan to be aware of their credit score and correct any discrepancies prior to approaching their lender.

of the dollars and 38 percent of the number of all 7(a) loans guaranteed by SBA were Basic 7(a) Loans. The reciprocal percentages were divided between the nine other 7(a) Programs.

The Basic 7(a) Loan is a term loan usually repaid with one monthly payment of principal and interest. Interest only repayment periods are permitted when needed, such as for a start-up business that doesn't achieve breakeven in its initial months of operation. Other repayment structures are also permitted depending upon the borrower's needs and the flexibility of the lender.

A Basic 7(a) Loan does not revolve so the sum of the disbursements is the loan amount. SBA can guaranty revolving lines of credit, but that is accomplished through some of the nine variations to the Basic 7(a) Loan.

The following aspects of the Basic 7(a) Loan are also applicable to all other 7(a) Loan unless specifically referenced as not applying to a specific Special 7(a) Loan.

Percentage of Guarantees and Loan Maximums

SBA only guarantees a portion of any particular 7(a) loan so each loan will have an SBA share and an unguaranteed portion which gives the lender a certain amount of exposure and risk on each loan. The percentage of guaranty depends on either the dollar amount or the program the lender uses to obtain its guaranty. For loans of \$150,000 or less the SBA generally guarantees as much as 85 percent and for loans over \$150,000 the SBA generally provides a guaranty of up to 75 percent.

The maximum dollar amount of a single 7(a) loan is \$5 million and there is no minimum. The maximum dollar amount of the SBA share which can be provided to any one business (including affiliates) is \$3,750,000.

Interest Rates

The actual interest rate for a 7(a) loan guaranteed by the SBA is negotiated between the applicant and lender but is subject to the SBA maximums. Both fixed and variable interest rate structures are available. The maximum rate comprises two parts, a base rate and an allowable spread. There are three acceptable base rates (Wall Street Journal Prime*, London Interbank One Month Prime plus 3 percent, and an SBA Peg Rate). Lenders are allowed

to add an additional spread to the base rate to arrive at the final rate. For loans with maturities of less than seven years, the maximum spread will be no more than 2.25 percent. For loans with maturities of seven years or more, the maximum spread will be 2.75 percent. The spread on loans under \$50,000 and loans processed through Express procedures have higher maximums.

Most 7(a) term loans are repaid with monthly payments of principal and interest. For fixed-rate loans the payments stay the same because the interest rate is constant. For variable rate loans the lender can change the

payment amount when the interest rates change. Applicants can request that the lender establish the loan with interest-only payments during the start-up and expansion phases (when eligible) to allow the business time to generate income before it starts making full loan payments.

Guaranty and Other Fees

Loans guaranteed by the SBA are assessed a guaranty fee. This fee is based on the loan's maturity and the dollar amount guaranteed, not the total dollar amount of the loan. The guaranty fee is initially paid by the lender and

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then passed on to the borrower at closing. The funds the business needs to reimburse the lender can be included in the overall loan proceeds.

On any loan with a maturity of one year or less, the fee is just 0.25 percent of the guaranteed portion of the loan. On loans with maturities of more than one year, the normal guaranty fee is:

- 2.0 percent of the SBA guaranteed portion on loans up to \$150,000; **
- 3.0 percent on loans over \$150,000 but not more than \$700,000; and
- 3.5 percent on loans over \$700,000. There is also an additional fee of 0.25 percent on any guaranteed portion over \$1 million.

** All references to the prime rate refer to the base rate in effect on the first business day of the month the loan application is received by the SBA.*

*** For all SBA-guaranteed loans of \$150,000 or less that are approved between October 1, 2014 and September 30, 2015, the guaranty fee will be 0%.*

Benefit For Veterans and/or Spouses:

Any guaranteed loans approved to businesses owned by Veterans of any era or their Spouses during fiscal year 2015 (October 1, 2014 through September 30, 2015) will receive the benefit of having its regular guaranty fee reduced by 50%, when the loan is over \$150,000.

The lender may not charge a prepayment penalty if the loan is paid off before maturity but the SBA will charge the borrower a prepayment fee if the loan has a maturity of 15 or more years and is pre-paid during the first three years.

7(a) Loan Maturities

The SBA's loan programs are generally intended to encourage longer term small-business financing, but actual loan maturities are based on the ability to repay, the purpose of the loan proceeds and the useful life of the assets financed. Maturity generally ranges from 7 to 10 years for working capital, business start-ups, and business acquisition type loans, and up to 25 years if the purpose is to acquire real estate or fixed assets with a long term useful life.

Collateral

The SBA expects every 7(a) loan to be secured first with the assets acquired with the loan proceeds and then with additional business and personal assets, depending upon the loan amount and the way the lender requests their guaranty. However, SBA

will not decline a request to guaranty a loan if the only unfavorable factor is insufficient collateral, provided all available collateral is offered. When the lender says they will need an SBA guaranty, the applicant should be prepared for liens to be placed against all business assets. Personal guaranties are required from all the principal owners of the business. Liens on personal assets of the principals may also be required. SBA does not require any collateral for any 7(a) guaranteed loan for \$25,000 or less but the lender can require collateral if they chose.

Loan Structure

The structure of a Basic 7(a) Loan is that repayment has to be set up so the loan is paid in full by maturity. Over the term of the loan there can be additional payments or payment relaxation depending on what is happening with the business. Balloon payments and call provisions are not allowed on any 7(a) term loan.

Eligibility

7(a) loan eligibility is based on a number of different factors, ranging from Size and Nature of Business to Use of Proceeds and factors that are case specific.

Size Eligibility

The first eligibility factor is size, as all loan recipients must be classified as "small" by the SBA. The size standards for all 7(a) loans are outlined below. A more in-depth listing of standards can be found at: www.sba.gov/size.

SBA Size Standards have the following general ranges:

- Manufacturing — from 500 to 1,500 employees
- Wholesale Trades — Up to 100 employees
- Services — \$2 million to \$35.5 million in average annual receipts
- Retail Trades — \$7 million to \$35.5 million in average annual receipts
- Construction — \$7 million to \$33.5 million in average annual receipts
- Agriculture, Forestry, Fishing, and Hunting — \$750,000 to \$17.5 million in average annual receipts

There is an alternate size standard for businesses that do not qualify under their industry size standards for SBA funding. That Alternative is that the applicant business (plus affiliates can't have a tangible net worth exceeding \$15 million and average net income exceeding \$5 million for the last two

years. This new alternate makes more businesses eligible for SBA loans and applies to SBA non-disaster loan programs, namely its 7(a) Business Loans and Certified Development Company programs.

Nature of Business

The second eligibility factor is based on the nature of the business and the process by which it generates income or the customers it serves. The SBA has general prohibitions against providing financial assistance to businesses involved in such activities as lending, speculating, passive investment, pyramid sales, loan packaging, presenting live performances of a prurient nature, businesses involved in gambling and any illegal activity.

The SBA also cannot make loan guaranties to non-profit businesses, private clubs that limit membership on a basis other than capacity, businesses that promote a religion, businesses owned by individuals incarcerated or on probation or parole, municipalities, and situations where the business or its owners previously failed to repay a federal loan or federally assisted financing, or are delinquent on existing federal debt.

Use of Proceeds

The third eligibility factor is Use of Proceeds. A Basic 7(a) Loan can provide proceeds to purchase machinery, equipment, fixtures, supplies, and to make improvements to land and/or buildings that will be occupied by the subject applicant business.

Proceeds can also be used to:

- Permanent Working Capital;
- Purchase Inventory;
- Expand or renovate facilities;
- Acquire machinery, equipment, furniture, fixtures and leasehold improvements;
- Acquire a business;
- Start a business;
- Acquire Land and Build a Location for the applicant business; and
- Refinance existing debt under certain conditions.

SBA 7(a) loan proceeds cannot be used:

- For the purpose of making investments.
- To provide funds to any of the owners of the business except for ordinary compensation for actual services provided.
- For Floor Plan Financing
- For a purpose that does not benefit the business

Miscellaneous Factors

The fourth factor involves a variety of requirements such as SBA's credit elsewhere test where the personal resources of the owners need to be checked to see if they can make a contribution before getting a loan guaranteed by the SBA. It also includes the SBA's anti-discrimination rules and limitations on lending to agricultural enterprises because there are other agencies of the Federal government with programs to fund such businesses.

Generally, SBA loans must meet the following criteria:

- Every loan must be for a sound business purpose;
- There must be sufficient invested equity in the business so it can operate on a sound financial basis;
- There must be a potential for long-term success;
- The owners must be of good character and reputation; and
- All loans must be so sound as to reasonably assure repayment.

For more information, go to www.sba.gov/apply.

SPECIAL PURPOSE 7(a) LOAN PROGRAMS

The 7(a) loan program is the most flexible of the SBA's lending programs. Over time, the Agency has developed several variations of the Basic 7(a) Loan in order to address specific financing needs for particular types of small businesses or to give the lender greater flexibility with the loan's structure. The general distinguishing feature between these loan types is their use of proceeds. These programs allow the proceeds to be used in ways that are not otherwise permitted in a basic 7(a) loan. These special purpose programs are not necessarily for all businesses but may be very useful to some small businesses. They are generally governed by the same rules, regulations, fees, interest rates, etc., as the basic 7(a) loan. Lenders can advise you of any variations. The Special Purpose Loans include:

International Trade Loan Program

The SBA's International Trade Loan (ITL) is designed to help small businesses enter and expand into international markets or,

when adversely affected by import competition, to make the investments necessary to better compete. The ITL offers a combination of fixed asset, working capital financing and debt refinancing with the SBA's maximum guaranty--90 percent--on the total loan amount. The maximum loan amount is \$5 million.

Guaranty Coverage

The SBA can guaranty up to 90 percent of an ITL up to a maximum of \$4.5 million, less the amount of the guaranteed portion of other SBA loans outstanding to the borrower. The maximum guaranty for any working capital component of an ITL is limited to \$4 million. Any other working capital SBA loans that the borrower has are counted against the \$4 million guaranty limit.

Use of Proceeds

- For the facilities and equipment portion of the loan, proceeds may be used to acquire, construct, renovate, modernize, improve or expand facilities or equipment in the U.S. to produce goods or services involved in international trade,

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Northeast Bank's experienced team worked with Devin Brown to understand his needs and help him secure SBA financing to acquire a precision machining company.

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Learn more at www.northeastbank.com/sba

In Massachusetts, contact:



Eric Bancroft

VP, Business
Development Officer

Office: 508.202.3125



David Coletti

VP, Business
Development Officer

Office: 978.590.7601



Northeast Bank SBA Lender Eric Bancroft and Community Banking Division President Jeanne Hult meet with Devin Brown, President of J&J Machine, at their Marlborough facility.

Northeast
BANK



including expansion due to bringing production back from overseas if the borrower exports to at least one market.

- Working capital is an allowable use of proceeds under the ITL.
- Proceeds may be used for the refinancing of debt not structured on reasonable terms and conditions, including any debt that qualifies for refinancing under the standard SBA 7(a) Loan Program.

Loan Term

- Maturities on the working capital portion of the ITL are typically limited to 10 years.
- Maturities of up to 10 years on equipment unless the useful life exceeds 10 years.
- Maturities of up to 25 years are available for real estate.
- Loans with a mixed use of fixed-asset and working-capital financing will have a blended-average maturity.

Exporter Eligibility

- Applicants must meet the same eligibility requirements as for the SBA's standard 7(a) Loan Program.

- Applicants must also establish that the loan will allow the business to expand or develop an export market or demonstrate that the business has been adversely affected by import competition and that the ITL will allow the business to improve its competitive position.

Foreign Buyer Eligibility

Foreign buyers must be located in those countries where the Export-Import Bank of the U.S. is not prohibited from providing financial assistance.

Collateral Requirements

- Only collateral located in the U.S. (including its territories and possessions) is acceptable.
- First lien on property or equipment financed by the ITL or on other assets of the business is required. However, an ITL can be secured by a second lien position if the SBA determines there is adequate assurance of loan repayment.
- Additional collateral, including personal guaranties and those assets not financed with ITL proceeds, may be appropriate.

A small business wanting to qualify as adversely impacted from import competition must submit supporting documentation that explains the impact, and a plan with projections that explains how the loan will improve the business' competitive position.

Export Working Capital Program

The SBA's Export Working Capital Program (EWCP) assists businesses exporters in meeting their short-term export working capital needs. Exporters can use the proceeds to make the products they will be exporting. They can also apply for such lines of credit prior to finalizing an export sale or contract. With an approved EWCP loan in place, exporters have greater flexibility in negotiating export payment terms—secure in the assurance that adequate financing will be in place when the export order is won.

Benefits of the EWCP

- Financing for suppliers, inventory or production of export goods.
- Export working capital during long payment cycles.
- Financing for stand-by letters of credit used as bid or performance bonds or advance payment guarantees.
- Reserves domestic working capital for the company's sales within the U.S.
- Permits increased global competitiveness by allowing the exporter to extend more liberal sales terms.
- Increases sales prospects in under-developed markets which may have high capital costs for importers.
- Low fees and quick processing times.

Guaranty Coverage

- Maximum loan amount is \$5,000,000.
- 90 percent of principal and accrued interest up to 120 days.
- Low guaranty fee of one-quarter of one percent of the guaranteed portion for loans with maturities of 12 months or less.
- Loan maturities are generally for 12 months or less, but can be up to a maximum of 36 months.

Use of Proceeds

- To pay for the manufacturing costs of goods for export.
- To purchase goods or services for export.
- To support standby letters of credit to act as bid or performance bonds.
- To finance foreign accounts receivable.

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Interest Rates

The SBA does not establish or subsidize interest rates on loans. The interest rate can be fixed or variable and is negotiated between the borrower and the participating lender.

Advance Rates

- Up to 90 percent on purchase orders.
- Up to 90 percent on documentary letters of credit.
- Up to 90 percent on foreign accounts receivable.
- Up to 75 percent on eligible foreign inventory located within the U.S.
- In all cases, not to exceed the exporter's costs.

Collateral Requirements

The export-related inventory and the receivables generated by the export sales financed with EWCP funds generally will be considered adequate collateral. The SBA requires the personal guarantee of owners with 20 percent or more ownership.

How to apply

Application is made directly to SBA-participating lenders. Businesses are encouraged to contact SBA staff at their local U.S. Export Assistance Center (USEAC) to discuss whether they are eligible for the EWCP and whether it is the appropriate tool to meet their export financing needs. Participating lenders review/approve the application and submit the guaranty request to SBA staff at the local USEAC.

CAPLines

The CAPLines Program Is designed to help small businesses meet their short-term and cyclical working capital needs. The programs can be used to finance seasonal working capital needs; finance the direct costs of performing certain construction, service and supply contracts, subcontracts, or purchase orders; finance the direct cost associated with commercial and residential construction; or provide general working capital lines of credit. The maturity can be for up to 10 years except for the Builders Capline which is limited to 36 months after the first structure is completed. Guaranty percentages are the same as for a Basic 7(a) Loan. There are four distinct short term loan programs under the CAPLine umbrella:

- **The Contract Loan Program** is used to finance the cost associated with contracts, subcontracts, or purchase orders. Proceeds can be disbursed before the work begins. If

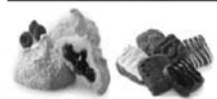
used for one contract or subcontract, it is generally not revolving; if used for more than one contract or subcontract at a time, it can be revolving. The loan maturity is usually based on the length of the contract, but no more than 10 years. Contract payments are generally sent directly to the lender but alternative structures are available.

- **The Seasonal Line of Credit Program** is used to support buildup of inventory, accounts receivable or labor and materials above normal usage for seasonal inventory. The business must have been in business for a period of 12 months and must have a definite established seasonal pattern. The loan may be used over again after a "clean-up" period of 30 days to finance activity for a new season. These loans also may have a maturity of up to five years. The business may not have another seasonal line of credit outstanding but may have other lines for non-seasonal working capital needs.
- **The Builders Line Program** provides financing for small contractors or developers to

construct or rehabilitate residential or commercial property. Loan maturity is generally three years but can be extended up to five years, if necessary, to facilitate sale of the property. Proceeds are used solely for direct expenses of acquisition, immediate construction and/or significant rehabilitation of the residential or commercial structures. The purchase of the land can be included if it does not exceed 20 percent of the loan proceeds. Up to 5 percent of the proceeds can be used for physical improvements that benefit the property.

- **The Working Capital Line Program** is a revolving line of credit (up to \$5,000,000) that provides short term working capital. These lines are generally used by businesses that provide credit to their customers, or whose principle asset is inventory. Disbursements are generally based on the size of a borrower's accounts receivable and/or inventory. Repayment comes from the collection of accounts receivable or sale of inventory. The specific structure is negotiated with the lender. There may be extra

Jacqueline's Wholesale Bakery, Inc.



Jacqueline's Wholesale Bakery is a manufacturer and wholesale distributor of frozen gourmet cookie and pastry dough. The company operates out of a state-of-the-art food manufacturing facility in Salem, Massachusetts.

When Jacqueline's needed to expand their operations they looked to East Boston Savings Bank for financing options. EBSB's Corporate Banking team was able to tailor a financing package that provided the bakery with the necessary loans to help achieve their business goals. Included in the package were:

- \$2.1 million in tax-exempt bond financing
- \$3.425 million in conventional financing to purchase and renovate a manufacturing facility
- \$2.5 million in tax-exempt bond financing for equipment purchasing
- \$2.95 million in conventional term debt
- \$4 million working capital line of credit

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Dan Rapoza

VP, Corporate Banking

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servicing and monitoring of the collateral for which the lender can charge up to 2 percent annually to the borrower.

Other Guaranty Lines of Credit

All the Special Purpose Programs listed above have SBA structured repayment terms meaning the Agency tells the lender how principal and interest is to be repaid. These programs also require the lender to use certain closing forms. Lenders with the ability to obtain 7(a) guaranties through any of the Express processes are considered experienced enough to be able to structure their own repayment terms and use their own closing documents. With this ability the lender can tailor a line of credit that it gets guaranteed by SBA to the needs of the business. Therefore, if a potential applicant sees that the previously listed Basic 7(a) or Special Purpose 7(a) Programs don't meet their needs they should discuss their options with a lender capable of providing an SBA Express or Export Express loan with an SBA guaranty.

SBAExpress

The SBAExpress Loan or Line of Credit is a flexible smaller loan up to \$350,000 that a designated lender can provide to its borrower using mostly their own forms, analysis and procedures to process, structure, service, and disburse this SBA-guaranteed loan. When structured as a term loan the proceeds and maturity are the same as a Basic 7(a) Loan. When structured as a revolving line of credit the requirements for the payment of interest and principal are at the discretion of the lender and maturity can't exceed 7 years.

Export Express

SBA's Export Express loans offers flexibility and ease of use for both borrowers and lenders on loans up to \$500,000. It is the simplest export loan product offered by the SBA.

Use of Proceeds

Loan proceeds may be used for business purposes that will enhance a company's export development. Export Express can take the form of a term loan or a revolving line of credit. As

an example, proceeds can be used to fund participation in a foreign trade show, finance standby letters of credit, translate product literature for use in foreign markets, finance specific export orders, as well as to finance expansions, equipment purchases, and inventory or real estate acquisitions, etc.

Ineligible Use of Proceeds

Proceeds may not be used to finance overseas operations other than those strictly associated with the marketing and/or distribution of products/services exported from the U.S.

Interest Rates

Terms are negotiated between the borrower and lender but interest rates may not exceed Prime plus 4.5 percent on loans over \$50,000 and Prime plus 6.5 percent on loans of \$50,000 or less.

Exporter Eligibility

Any business that has been in operation, although not necessarily in exporting, for at least 12 full months and can demonstrate that the loan proceeds will support its export activity is eligible for Export Express. The one year in business operations requirement can be waived if the applicant can demonstrate previous successful business experience and exporting expertise and the lender does conventional underwriting, not relying solely on credit scoring.

Foreign Buyer Eligibility

The exporter's foreign buyer must be a creditworthy entity and not located in countries prohibited for financial support on the Export-Import Bank's Country Limitation Schedule and the methods of payment must be acceptable to the SBA and the SBA lender.

How to Apply

Interested businesses should contact their existing lender to determine if they are an SBA Export Express lender. Application is made directly to the lender. Lenders use their own application material in addition to SBA's Borrower Information Form. Lenders' approved requests are then submitted with a limited amount of eligibility information to SBA's National Loan Processing Center for review.

7(a) LOAN PROCESSES FOR LENDERS

There are various ways a lender can apply to SBA for a 7(a) guaranty. Some are designed for experienced lenders

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Milford National Bank Commercial Lending Team from left to right; Kristin Carvalho, Peter Beecher, Shafali Desai, and Fred Odoardi

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who are fully committed to providing business loans guaranteed by SBA to their clientele that need them, while others are designed for lenders with limited experience or when there are certain issues that require SBA to thoroughly review the situation. The fundamental process available to all lenders who have signed up to participate with SBA is called the Standard Loan Guaranty Process. It is used by lenders to request a guaranty from SBA when they are new to SBA lending or the request requires an SBA review. Other methods of processing a request for guaranty have less requirements for SBA, so the time SBA take is less, but potentially more requirements or responsibilities for the lender. The determining factors on which one is use depends on the experience of the lender in dealing with SBA, the complexity of the case, the purpose of the loan, and the dollar amount being requested.

Standard 7(a) Loan Processing

After the applicant business and lender complete their required documents, the lender makes application to SBA for a guaranty by submitting them to SBA's Loan Guaranty Processing Center. The center will screen the application and, if satisfactory complete a thorough review of both eligibility and creditworthiness before making the decision to approve the issuance of a guaranty as submitted, approve with modifications (which will be discussed with the lender), or reject the request. When the lender makes application to SBA, they have already internally agreed to approve the recommended loan to the applicant if, and only if, the SBA provides a guaranty.

Standard processing means a lender makes their request for guaranty using SBA Form 1920 and the applicant completes SBA Form 1919, even if the applicant previously completed the lender's required application forms.

The analysis of eligibility starts with a review of the "Eligibility Questionnaire," completed by the lender. The analysis of credit starts with a review of the SBA Form 1920 and the lender's credit memo which must discuss at least six elements:

1. Balance sheet and ratio analysis;
2. Analysis of repayment. It is not acceptable to base repayment ability solely on the applicant's credit score.
3. Assessment of the management skills of the applicant;

4. Explanation of the collateral used to secure the loan and the adequacy of the proposed collateral;
5. Lender's credit history with applicant including an explanation of any weaknesses;
6. Current financial statements and pro-forma financial spread. SBA pro-forma analysis reflects how the business will look immediately following disbursement, not one year after disbursement.

SBA also expects that the lender's credit memo includes the intended use of the loan proceeds and any historical and current issues that require explanation. SBA also expects a discussion of the process by which the applicant business generates its income when it is not immediately obvious. An explanation of how the business conducts its operation is also expected.

SBA has three days to screen and 10 days to process the request for guaranty from the lender. Any additional time a lender takes to make their determination prior to requesting a guaranty from SBA will add to the length of time to reach a final decision. If the guaranty is approved, SBA will prepare a loan authorization outlining the terms and conditions under which the guaranty is provided and prepare an approval letter for transmission to the lender.

Certified Processing

SBA has a Certified Lenders Program (CLP) which lenders with more experience and commitment to SBA lender can obtain which allows them to request a 7(a) guaranty through a process similar to the Standard process except the SBA will only review the lenders request rather than re-analyze.

Preferred Processing

SBA has a Preferred Lenders Program (PLP) designed for lenders who have been delegated the authority to make both the eligibility and credit decisions without a second look by SBA. This process is used by the most experienced lenders who have the most dedicated staffs ready to review requests for financial assistance from existing and potential customers in order to see if they need to become SBA guaranteed loans.

SBAExpress Processing

The SBAExpress guaranty is available to lenders as a way to obtain a guaranty on smaller loans up to \$350,000. The program authorizes select, experienced



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lenders to use mostly their own forms, analysis and procedures to process, structure, service, and disburse SBA-guaranteed loans. The SBA guarantees up to 50 percent of an SBAExpress loan. Loans under \$25,000 do not require collateral. The use of proceeds for a term loan is the same as for any Basic 7(a) Loan. Like most 7(a) loans, maturities are usually five to seven years for working capital and up to 25 years for real estate or equipment. Revolving lines of credit are allowed for a maximum of seven years.

Export Express Processing

SBA Export Express offers flexibility and ease of use for lenders. Participating lenders may use their own forms, procedures and analyses. The SBA provides the lender with an immediate response. This loan is subject to the same loan processing, closing, servicing and liquidation requirements as for other similar-sized SBA loans.

Guaranty Coverage

The SBA provides lenders with a 90 percent guaranty on loans up to \$350,000 and a 75 percent guaranty on loans between \$350,001 and \$500,000.

Community Advantage Loans

The **Community Advantage Pilot Program** is aimed at helping businesses located in underserved communities gain access to capital by opening up 7(a) lending to mission-focused, community-based lenders — such as Community Development Financial Institutions (CDFIs), Certified Development Companies (CDCs), and microlenders. These lenders provide technical assistance and economic development support to businesses located in underserved markets.

The application process is the same as for a Basic 7(a) Loan. The main difference with this program from other SBA 7(a) loan programs is the lender who ultimately provides the loan funds is not a traditional SBA lender.

Visit: www.sba.gov/advantage for more information about this program.

Massachusetts Community Advantage Lenders

Cape & Islands Community Development, Inc.

5 Shoot Flying Hill Rd.
Centerville, MA 02632
508-362-3755

Common Capital Inc. (Western Mass. Enterprise Fund)

4 Open Square Way, Ste. 407
Holyoke, MA 01040
413-420-0183

Dorchester Bay Economic Development Corporation

594 Columbia Rd.
Dorchester, MA 02125
617-825-4200

New Bedford Economic Development Council, Inc.

1213 Purchase St.
New Bedford, MA 02740
508-991-3122

South Eastern Economic Development Corp/SEED

80 Dean St.
Taunton, MA 02780
508-822-1020

CERTIFIED DEVELOPMENT COMPANY LOAN PROGRAM (504 LOANS)

The 504 Loan program is an economic development program that supports American small business growth and helps communities through business expansion and job creation. The 504 loan program provides long-term, fixed-rate, subordinate mortgage financing for acquisition and/or renovation of capital assets including land, buildings and equipment. Some refinancing is also permitted. Most for-profit small businesses are eligible for this program. The types of businesses excluded from 7(a) loans (listed previously) are also excluded from the 504 loan program.

The SBA's 504 Certified Development Companies (CDC) serve their communities by financing business expansion needs. Their professional staff works directly with borrowers to tailor a financing package that meets program guidelines and the credit capacity of the borrower's business.

CDCs work with banks and other lenders to make loans in first position on reasonable terms, helping lenders retain growing customers and provide Community Reinvestment Act credit.

The SBA 504 loan is distinguished from the SBA 7(a) loan program in these ways:

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The maximum debenture, or long-term loan, is:

- \$5 million for businesses that create a certain number of jobs or improve the local economy;
- \$5 million for businesses that meet a specific public policy goal, including loans for aiding rural development and expansion of small businesses owned by veterans, women, and minorities; and
- \$5.5 million for manufacturers and energy related public policy projects.

Recent additions to the program allow \$5.5 million for each project that reduces the borrower's energy consumption by at least 10 percent; and \$5.5 million for each project that generates renewable energy fuels, such as biodiesel or ethanol production. Projects eligible for up to \$5.5 million under one of these two requirements do not have to meet the job creation or retention requirement, so long as the CDC portfolio reflects an average jobs to debenture portfolio ratio of at least 1 job per \$65,000.

- Eligible project costs are limited to long-term, fixed assets such as land and building (occupied by the borrower) and substantial machinery and equipment.
- Most borrowers are required to make an injection (borrower contribution) of just 10 percent which allows the business to conserve valuable operating capital. A further injection of 5 percent is needed if the business is a start-up or new (less than two years old), and a further injection of 5 percent is also required if the primary collateral will be a single-purpose building (such as a hotel).
- Two-tiered project financing: A lender finances approximately 50 percent of the project cost and receives a first lien on the project assets (but no SBA guaranty); A CDC (backed by a 100 percent SBA-guaranteed debenture) finances up to 40 percent of the project costs secured with a junior lien. The borrower provides the balance of the project costs.
- Fixed interest rate on SBA loan. The SBA guarantees the debenture 100 percent. Debentures are sold in pools monthly to private investors. This low, fixed rate is then passed on to the borrower and establishes the basis for the loan rate.
- All project-related costs can be financed, including acquisition (land and building, land and construction of building, renovations, machinery and

equipment) and soft costs, such as title insurance and appraisals. Some closing costs may be financed.

- Collateral is typically a subordinate lien on the assets financed; allows other assets to be free of liens and available to secure other needed financing.
- Long-term real estate loans are up to 20-year term, heavy equipment 10- or 20-year term and are self-amortizing.

Businesses that receive 504 loans are:

- Small — net worth under \$15 million, net profit after taxes under \$5 million, or meet other SBA size standards.
- Organized for-profit.
- Most types of business — retail, service, wholesale or manufacturing.

For information, visit

www.sba.gov/504.

Bay Colony Development Corporation

City Point
230 Third Ave., 1st Fl.
Waltham, MA 02451
Eric Adams
781-478-3650
Service Area: Statewide

Coastal Community Capital

5 Shoot Flying Hill Rd.
Centerville, MA 02632
Jeannine Marshall, Executive Director
508-362-3755
Service Area: Statewide

Dorchester Bay Economic Development Corporation

594 Columbia Rd., Ste. 302
Dorchester, MA 02125
Dan DeSantis, Director
617-825-4200
Service Area: Statewide

Granite State Development Corporation

One Cate St.
Portsmouth, NH 03801
Matt Collins, Vice President
508-294-6822
Service Area: Statewide

New England Certified Development Corporation

500 Edgewater Dr. Ste. 555
Wakefield, MA 01880
Paul Flynn, Director of SBA Lending
781-928-1100
Service Area: Statewide

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Ocean State Business Development Authority

155 S. Main St., Ste. 301
Providence, RI 02903
Henry Violet, President
401-454-4560
Service Areas: Bristol, Norfolk and Worcester counties.

South Eastern Economic Development Corporation (SEED)

80 Dean St.
Taunton, MA 02780
Maria Gooch-Smith, Executive Director
508-822-1020
Service Area: Statewide

South Shore Economic Development Corporation

1050 Hingham St.
Rockland, MA 02370
Peter Foreman, President
617-479-1111
Service Area: Statewide

Worcester Business Development Corporation

89 Shrewsbury St., Ste. 300
Worcester, MA 01604
Craig Blais, President
508-755-5734
Service Area: Statewide

MICROLOAN PROGRAM (LOANS UP TO \$50,000)

The Microloan program provides very small loans (up to \$50,000) to women, low-income, minority, veteran, and other small business owners through a network of more than 100

Intermediaries nationwide. Under this program, the SBA makes funds available to nonprofit intermediaries that, in turn, make the small loans directly to start-up and existing businesses. Entrepreneurs work directly with the Intermediaries to receive financing, and business knowledge support. The proceeds of a microloan can be used for working capital, or the purchase of furniture, fixtures, supplies, materials, and/or equipment. Microloans may not be used for the purchase of real estate. Interest rates are negotiated between the borrower and the Intermediary. The maximum term for a microloan is six years. Because funds are borrowed from the Intermediary, SBA is not involved in the business loan application or approval process. And, payments are made directly from the small business to the Intermediary.

The program also provides business-based training and technical assistance to micro-borrowers and potential micro-borrowers to help them successfully start or grow their businesses. Such training and technical assistance may include general business education, assistance with business planning, industry-specific training, and other types of training support.

Entrepreneurs and small business owners interested in small amounts of business financing should contact the nearest SBA district office for information about the nearest Microloan Program Intermediary Lender or go to www.sba.gov/microloans.

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10 Fawcett St., Ste. 204
Cambridge, MA 02138
Ana Hammock, Dir. Of Lending
617-625-7080
Service Area: Statewide

Common Capital, Inc. *

4 Open Square Way, Ste. 407
Holyoke, MA 01040
Sam Ortiz, Commercial Lender
413-420-0183
Service Areas: Berkshire, Franklin, Hampshire, Hampden Counties & parts of Worcester.

Community Teamwork, Inc.

155 Merrimack St.
Lowell, MA 01852
Karen Frederick, Executive Director and Microlending
978-459-0551 • 978-453-9128 Fax
kfrederick@comteam.org
www.comtam.org
Service Areas: Essex and Middlesex.

Dorchester Bay Economic Dev. Corp.*

594 Columbia Rd., Ste. 302
Dorchester, MA 02125
Dan DeSantis, Director
617-825-4200
Service Areas: Lower Roxbury and Dorchester.

Economic Dev. Industrial Corp. of Lynn

Lynn City Hall, 3 City Hall Sq., Rm. 307
Lynn, MA 01901
James Cowdell, Executive Director
781-581-9399
Service Area: City of Lynn.

Jobs for Fall River, Inc.

One Government Center
Fall River, MA 02722
Kenneth Fiola
508-324-2620
kenfiolajr@aol.com
Service Area: City of Fall River.

New Bedford Economic Development *

1213 Purchase St., 3rd Fl.
New Bedford, MA 02740
Ramon Silva, Senior Lending Officer
508-991-3122 ext. 24 • 508-991-7372 Fax
rsilva@nbedc.org
Service Area: City of New Bedford.

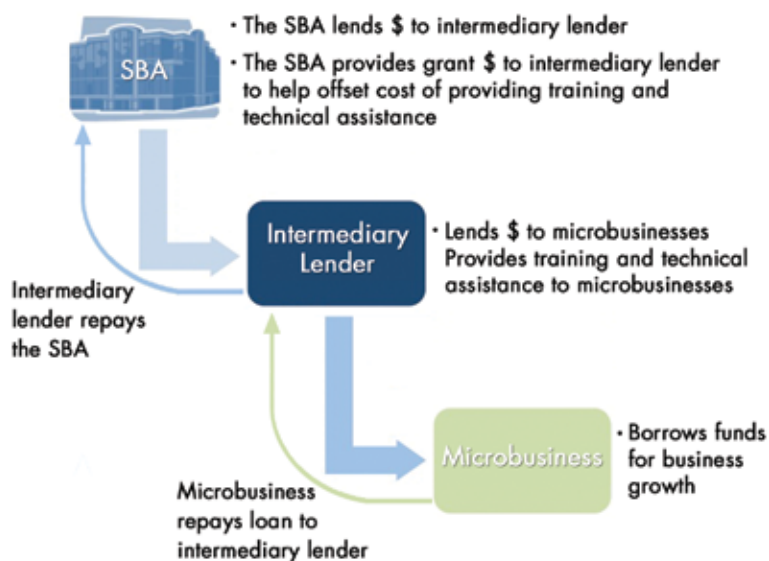
North Central Massachusetts Economic Development Council

860 South St.
Fitchburg, MA 01420
David Ritter
978-353-7607
Service Area: North Central MA

RCAP Solutions Financial Services

205 School St.
Gardner, MA 01440
Karen A. Koller, President and Chief Executive Officer
978-630-6635
kkoller@rcapsolutions.org

How the Microloan Program Works



Worcester Office

12 E. Worcester St.
Worcester, MA 01604
Ili R. Spahiu, Small Business Development
& Loan Manager
978-630-6635
ispahiu@rcapsolutions.org

South Eastern Econ. Dev. Corp. (SEED) *

80 Dean St.
Taunton, MA 02780
Maria Gooch-Smith, Executive Director
508-822-1020
mgoochsmith@seedcorp.com
Service Areas: Norfolk, Bristol, Plymouth,
Barnstable, Dukes, Suffolk, Middlesex,
Nantucket.

*also a Community Advantage Lender

SURETY BOND GUARANTEE PROGRAM

The Surety Bond Guarantee Program is a public-private partnership between the Federal government and surety companies to provide small businesses with the bonding assistance necessary for them to compete for public and private contracting and subcontracting opportunities. The guarantee provides an incentive for sureties to bond small businesses that would otherwise be unable to obtain bonding. The program is aimed at small businesses that lack the working capital or performance track record necessary to secure bonding on a reasonable basis through regular commercial channels.

Through this program, the SBA guarantees bid, payment, performance and ancillary bonds issued by surety companies for individual contracts and subcontracts up to \$6.5 million. The SBA reimburses sureties between 70 and 90 percent of losses sustained if a contractor defaults on the contract. On Federal contracts, SBA can guarantee bonds on contracts up to \$10 million, if the contracting officer certifies that a guarantee would be in the best interest of the Government.

SBA has two program components, the Prior Approval Program and the Preferred Surety Bond Program. In the Prior Approval Program, the SBA guarantees 90 percent of surety's paid losses and expenses on bonded contracts up to \$100,000, and on bonded contracts greater than \$100,000 that are awarded to socially and economically disadvantaged concerns, HUBZone contractors, and veterans, and service-disabled veteran-owned small businesses. All other bonds guaranteed in the Prior Approval Program receive an 80 percent guarantee. Sureties must obtain the SBA's prior approval for

each bond guarantee issued. Under the Preferred Program, the SBA guarantees 70 percent, and sureties may issue, monitor and service bonds without the SBA's prior approval. Small businesses, surety companies, and bond producers are invited to visit our website at www.sba.gov/osg. You may also call the program office at 202-205-6545.

REFERRAL LIST OF BOND AGENCIES

MASSACHUSETTS

ACORA Surety & Insurance Services, LLC

3246 E. Hwy. 7, Ste. 150
Montevideo, MN 56265
320-269-3144 • 320-269-3154 Fax
lori@goldleafsurety.com

Albert J. Tonry & Company Inc.

300 Congress St., Ste. 104
Quincy, MA 02169-0907
617-773-9200
ctraina@tonry.com

American Contractors Indemnity Company

601 S. Figueroa St., Ste. 1600
Los Angeles, CA 90017
310-649-0990 • 310-242-4421 Fax
fmester@hccsurety.com
tyasilli@hccsurety.com

American Surety Bonds Agency, LLC

1587 N.E. Expwy.
Atlanta, GA 30329
404-486-2355 • 404-329-8156 Fax
bknowles@suretybondsagency.com
sam.newberry@asbalic.com
snewberry@suretybondsagency.com

Atlantic Underwriting Agency, Inc.

992 Old Eagle School Rd., Ste. 915
Wayne, PA 19087
610-397-0570
lynn@aubond.com

Barbour Group, LLC

20 Liberty St., Ste. 2D
Westminster, MD 21157
410-876-9610 • 410-876-9954 Fax
info@thebarbourgroup.com

CB Insurance, LLC

1 S. Nevada Ave., Ste. 105
Colorado Springs, CO 80903
719-477-4278 • 719-228-1071 Fax
jason.yezek@centralbancorp.com

CCI Surety, Inc.

1710 N. Douglas Dr., Ste. 110
Golden Valley, MN 55422
763-543-6993 • 763-546-1822 Fax
www.ccisurety.com

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Rick Hamilton, VP
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8681 W. Sahara Ave., Ste. 100
Las Vegas, NV 89117
702-227-5727 • 702-227-5753 Fax
alicia@capstone1.com

Delmarva Surety Associates, Inc.

2345 York Rd., Ste. 302
Timonium, MD 21093
410-561-3593 • 410-561-3723 Fax

Eastern Insurance Group, LLC

233 W. Central St.
Natick, MA 01760
800-333-7234
eyoung@easterninsurance.com

Freedom Bonding, Inc.

11100 Liberty Rd., Ste. H
Randallstown, MD 21133
410-922-2221 • 410-922-9992 Fax
markcongdon@freedombondinginc.com

Global Indemnity Insurance Agency

195 Scott Swamp Rd.
Farmington, CT 06032
860-676-8830 • 860-676-1928 Fax
johnwagner@suretyllc.com

Hub International Insurance Services

1125 17th St., Ste. 900
Denver, CO 80202
303-893-0300 • 303-795-0300 Fax
jon.land@hubinternational.com

Integrity Surety, LLC

17544 Midvale Ave. N., Ste. 300
Seattle, WA 98133
800-592-8662 • 888-315-5403 Fax
kara@integritysurety.com

John L. Danehy Insurance Agency

2294 Mass Ave.
Cambridge, MA 02140
617-547-6800 • 617-547-7081 Fax

John M. Brown Insurance Agency

4317 W. Irving Park Rd.
Chicago, IL 60641
773-777-2100 • 773-777-2202 Fax
tom@farmerbrown.com

John McLaughlin Insurance Agency

828 Lynn Fells Pkwy.
Melrose, MA 02176
781-665-2775 • 781-665-0295 Fax
jmclaughlinjr@mclaughlininsurance.com

JW Bond Consultants, Inc.

6023 A Kellers Church Rd.
Pipersville, PA 18947
215-766-1990 • 215-766-1225 Fax
patsy@jwsuretybonds.com

KOG International, Inc.

701 Rte. 73 S., Ste. C-2
West Berlin, NJ 08091
610-690-0804
kenneth.turner10@verizon.net

KPS Insurance Services, Inc.

10650 Trenea St., Ste. 109
San Diego, CA 92131
858-538-8822 • 858-346-9298 Fax
mstrahan@kpsbond.com

Marquis Bonding and Insurance LLC

198 Collincoate St.
Stoneham, MA 02180
781-640-7868 • 781-438-1008 Fax
marquisbonding@gmail.com

National Surety Services, Inc.

1534 Dunwoody Village Pkwy., Ste. 220
Atlanta, GA 30338
770-394-9444 • 770-394-6888 Fax

Northeast Surety, LLC

3 Forest Park Dr.
Farmington, CT 06032
860-674-0123 • 860-674-0170 Fax
kmoretojr@nesurety.com

Pinnacle Surety & Insurance Services, Inc.

151 Kalmus Dr., Ste. A-201
Costa Mesa, CA 92626
714-546-5100 • 714-546-3707 Fax
jen@pinnaclesurety.com

Regan Cleary Insurance LLC

226 Causeway St., Ste. 302
Boston, MA 02114
617-305-0346 • 617-723-7275 Fax
mregan@regancleary.com

Roger Bouchard Insurance

101 Starcrest Dr.
Clearwater, FL 33765
727-447-6481 • 727-449-1267 Fax
markpichowski@bouchardinsurance.com

Surety 1

3225 Monier Cir., Ste. 100
Rancho Cordova, CA 95742
916-737-5723 • 916-737-5737 Fax
ryan@surety1.com

The Protector Group Insurance Agency, Inc.

100 Front St., Ste. 800
Worcester, MA 01608
508-852-8500 • 508-753-6124 Fax
dfb@protectorgroup.com

The Rowley Agency, Inc.

139 Loudon Rd./P.O. Box 511
Concord, NH 03302-0511
800-238-3840 • 603-224-6422 Fax
mobrien@rowleyagency.com

The Surety Group Agency, LLC

3715 Northside Pkwy., Ste. 1-315
Atlanta, GA 30327
404-352-8211 • 404-351-3237 Fax

Traina & Traina Insurance Agency, Inc.

44 Main St.
Sterling, MA 01564
978-422-7700 • 978-422-8106 Fax
richard@ttai.com

Viking Bond Service, Inc.

22601 N. 19th Ave., Ste. 210
Phoenix, AZ 85027
623-518-2982
cynthia@vikingbond.com or
cynthiab@vbsbond.com

Wells Fargo Insurance Services USA, Inc.

5755 Mark Dabling Blvd., Ste. 300
Colorado Springs, CO 80919
719-592-1177
christina.schulman@wellsfargo.com or
christina.townsend@wellsfargo.com

SMALL BUSINESS INVESTMENT COMPANY PROGRAM

The Small Business Investment Company (SBIC) program is a multi-billion dollar program founded in 1958, as one of many financial assistance programs available through the U.S. Small Business Administration. The structure of the program is unique in that SBICs are privately owned and managed investment funds, licensed and regulated by SBA, that use their own capital plus funds borrowed with an SBA guarantee to make equity and debt investments in qualifying small businesses. The funds raise private capital and can receive SBA-guaranteed leverage up to three times private capital, with a leverage ceiling of \$150 million per SBIC and \$225 million for two or more licenses under common control. Licensed SBICs are for-profit investment firms whose incentive is to share in the success of a small business. The U.S. Small Business Administration does not invest directly into small business through the SBIC Program, but provides funding through SBA guarantee debentures to qualified investment management firms with expertise in certain sectors or industries.

SBIC Licensees Located in Massachusetts**Ascent Venture Partners IV-A, L.P.**

Brian Girvan, Contact
255 State St., 5th Fl.
Boston, MA 02109
617-720-9400 • 617-720-9401 Fax
tscanlon@ascentvp.com

Citizens Ventures, Inc.

Joshua Conlon - EVP, Director
28 State St., 11th Fl., MS 1000
Boston, MA 02109
617-994-7084 • 617-742-9471 Fax
joshua.conlon@rbccitizens.com

Crescent Direct Lending SBIC Fund, L.P.

John Bowman
One Post Office Sq., 36th Fl.
Boston, MA 02109
617-854-1501 • 617-854-1550 Fax
john.bowman@crescentcap.com (link sends e-mail)
Investment Criteria
Investment Size Range
Preferred Min: \$0
Preferred Max: \$0
Type of Capital Provided
Funding Stage Preference
Industry Preference
Geographic Preferences
Description of Firm's Focus

Crystal Financial SBIC LP

Ward K. Mooney
Two International Place, 17th Fl.
Boston, MA 02110
617-428-8700 • 617-428-8701 Fax
jfranklin@crystalfinco.com

Draper Fisher Jurvetson New England Fund I (SBIC), L.P.

Todd Hixon, Contact
One Broadway, 14th Fl.
Cambridge, MA 02142
617-758-4213 • 617-758-4101 Fax
todd@navfund.com
Investment Criteria
Description of Firm's Focus
This fund is no longer investing in new portfolio companies.

Gemini Investors III, L.P.

David F. Millet, Contact
20 William St., Ste. 250
Wellesley, MA 02481
781-237-7001 • 781-237-7233 Fax
mkeis@gemini-investors.com

Gemini Investors IV, L.P.

Matt Keis, Contact
20 William St., Ste. 250
Wellesley, MA 02481
781-237-7001 • 781-237-7233 Fax
mkeis@gemini-investors.com

Gemini Investors V, L.P.

Matthew E. Keis, Contact
20 William St., Ste. 250
Wellesley, MA 02481
781-237-7001 • 781-237-7233 Fax
mkeis@gemini-investors.com

High Peaks Seed Ventures, L.P.

Russell Howard, Contact
One Bank St., 2nd Fl.
Williamstown, MA 01267
518-720-3090 • 518-720-3091 Fax
Russ@HPVP.com

High Peaks Ventures, L.P.

Russell Howard, Contact
One Bank St., 2nd Fl.
Williamstown, MA 01267
518-720-3090 • 518-720-3091 Fax
Russ@HPVP.com
Investment Criteria
Investment Size Range:

Preferred Min: \$750,000
Preferred Max: \$3,000,000
Type of Capital Provided: Equity Capital
Funding Stage Preference: Early Stage
Industry Preference: Technology
Geographic Preferences: New York State
Description of Firm's Focus:
High Peaks is a venture capital firm focused on investments in market leading, early stage tech. companies. High Peaks closed its inaugural fund in '04 & is actively investing in NY state and thru-out the north-east focusing on internet-enabled business.

Lancet Capital Health Ventures, L.P.

William Golden, Manager
245 First St., Ste. 1800
Cambridge, MA 02142
617-444-8582 • 617-444-8405 Fax
wgolden@lancetcapital.com
Investment Criteria
Investment Size Range
Preferred Min: \$100,000
Preferred Max: \$2,500,000
Type of Capital Provided: Private Equity
Funding Stage Preference: Early Stage
Industry Preference: Biomedical
Geographic Preferences: Northeast
US Description of Firm's Focus:
Invest primarily in medical device, drug discovery, bioinformatics companies.

Long River Ventures III, L.P.

Tripp Peake
7 North Pleasant St., Ste. 2C
Amherst, MA 01002
413-587-2155 • 413-587-2156 Fax
tpeake@longriverventures.com (link sends e-mail)
Investment Criteria
Investment Size Range
Preferred Min: \$0
Preferred Max: \$0
Type of Capital Provided
Funding Stage Preference
Industry Preference
Geographic Preferences
Description of Firm's Focus

Pine Street Capital Partners II, L.P.

David Morris
572 Washington St.
The Rotunda Bldg., Ste. 16
Wellesley, MA 12207
781-237-0005

Seacoast Capital Partners II, L.P.

Thomas Gorman, Contact
55 Ferncroft Rd.
Danvers, MA 01923
978-750-1311 • 978-750-1301 Fax
tgorman@seacoastcapital.com

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Thomas Gorman, Contact
55 Ferncroft Rd., Ste. 110
Danvers, MA 01923
978-750-1311 • 978-750-1301 Fax
tgorman@seacoastcapital.com

SEED Ventures, L.P.

Thomas Wooters, Contact
80 Dean St.
Taunton, MA 02780
508-822-1020 • 508-880-7869 Fax
tom@seedvf.com
Investment Criteria
Investment Size Range
Preferred Min: \$100,000
Preferred Max: \$1,250,000
Type of Capital Provided:
75%: Loan and debt
25%: Equity
Funding Stage Preference:
20-30%: startup & dvlpmnt
70-80%: Exp & Later
Industry Preference: No industry specific
Geographic Preferences:
Southeast Massachusetts

Ticonderoga SBIC, L.P.

Craig A.T. Jones, Contact
25 Braintree Hill Park, Ste. 200
Braintree, MA 02184
781-416-3400 • 781-416-9868 Fax

THE SMALL BUSINESS INNOVATION RESEARCH PROGRAM

The Small Business Innovation Research (SBIR) program is a highly competitive program that encourages domestic small businesses to engage in Federal Research/Research and Development (R/R&D) that has the potential for commercialization. Through a competitive awards-based program, SBIR enables small businesses to explore their technological potential and provides the incentive to profit from its commercialization. By including qualified small businesses in the nation's R&D arena, high-tech innovation is stimulated and the United States gains entrepreneurial spirit as it meets its specific research and development needs.

SBIR Program Eligibility

Only United States small businesses are eligible to participate in the SBIR program. An SBIR awardee must meet

the following criteria at the time of Phase I and II awards:

1. Organized for profit, with a place of business located in the United States;
2. No more than 500 employees, including affiliates;
3. Be a concern which is more than 50% directly owned and controlled by one or more individuals (who are citizens or permanent resident aliens of the United States), other small business concerns (each of which is more than 50% directly owned and controlled by individuals who are citizens or permanent resident aliens of the United States), or any combination of these;
4. Be a concern which is more than 50% owned by multiple venture capital operating companies, hedge funds, private equity firms, or any combination of these (for agencies electing to use the authority in 15 U.S.C. 638(dd)(1)); or
5. Be a joint venture in which each entity to the joint venture must meet the requirements set forth in paragraph (a)(1)(i) or (a)(1)(ii) of this section. A joint venture that includes one or more concerns that meet the requirements of paragraph (a)(1)(ii) of this section must comply with §121.705(b) concerning registration and proposal requirements.
6. No single venture capital operating company, hedge fund, or private equity firm may own more than 50% of the concern.
7. For awards from agencies using the authority under 15 U.S.C. 638(dd)(1), an awardee may be owned and controlled by more than one VC, hedge fund, or private equity firm so long as no one such firm owns a majority of the stock.
8. If an Employee Stock Ownership Plan owns all or part of the concern, each stock trustee and plan member is considered an owner.
9. If a trust owns all or part of the concern, each trustee and trust beneficiary is considered an owner.
10. Phase I awardees with multiple prior awards must meet the benchmark requirements for progress toward commercialization.

SBIR-Participating Agencies

Each year, Federal agencies with extramural research and development (R&D) budgets that exceed \$100 million are required to reserve 2.9% (FY 15) of the extramural research budget

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for SBIR awards to small businesses. These agencies designate R&D topics and accept proposals. Currently, eleven agencies participate in the SBIR program:

- Department of Agriculture
- Department of Commerce - National Institute of Standards and Technology
- Department of Commerce - National Oceanic and Atmospheric Administration
- Department of Defense
- Department of Education
- Department of Energy
- Department of Health and Human Services
- Department of Homeland Security
- Department of Transportation
- Environmental Protection Agency
- National Aeronautics and Space Administration
- National Science Foundation

For additional information visit www.sbir.gov.

SMALL BUSINESS TECHNOLOGY TRANSFER PROGRAM

Small Business Technology Transfer (STTR) is another program that expands funding opportunities in the federal innovation research and development (R&D) arena. Central to the program is expansion of the public/private sector partnership to include the joint venture opportunities for small businesses and nonprofit research institutions. The unique feature of the STTR program is the requirement for the small business to formally collaborate with a research institution in Phase I and Phase II. STTR's most important role is to bridge the gap between performance of basic science and commercialization of resulting innovations.

STTR Program Eligibility

Only United States small businesses are eligible to participate in the STTR program. The small business must meet all of the following criteria at time of award:

- Organized for profit, with a place of business located in the United States;
- At least 51 percent owned and controlled by one or more individuals who are citizens of, or permanent resident aliens in, the United States, and;
- No more than 500 employees, including affiliates.

The nonprofit research institution must also meet certain eligibility criteria:

- Located in the US
- Meet one of three definitions:
 - Nonprofit college or university
 - Domestic nonprofit research organization
 - Federally funded R&D center (FFRDC)

STTR differs from SBIR in three important aspects:

1. The SBC and its partnering institution are required to establish an intellectual property agreement detailing the allocation of intellectual property rights and rights to carry out follow-on research, development or commercialization activities.
2. STTR requires that the SBC perform at least 40% of the R&D and the single partnering research institution to perform at least 30% of the R&D.
3. Unlike the SBIR program, STTR does not require the Principal Investigator to be primarily employed by the SBC.

STTR-Participating Agencies

Each year, Federal agencies with extramural research and development (R&D) budgets that exceed \$1 billion are required to reserve 0.40% (FY 15) of the extramural research budget for STTR awards to small businesses. These agencies designate R&D topics and accept proposals. Currently, five agencies participate in the STTR program:

- Department of Defense
- Department of Energy
- Department of Health and Human Services
- National Aeronautics and Space Administration
- National Science Foundation

For additional information visit www.sbir.gov.

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SBA ONLINE: WEB-BASED TOOLS FOR BUSINESS OWNERS

The old adage “time is money” is perhaps one of the most pertinent statements that you can apply to small business owners. Whether you’re starting a business or managing a growing one, entrepreneurs and business owners wear many hats and have many questions:

- What laws and regulations apply to my business?
- How do I start to write a business plan?
- Where can I get help with X, Y and Z?

Many of us invariably turn to our networks and the Internet to find answers. But how can you trust that the information you are getting is truly applicable to your business and, let’s face it, even accurate?

As part of its mission to help business owners start, succeed and grow, SBA, through the SBA.gov website has developed numerous online tools and guides to help small businesses get information and answers they need quickly and efficiently. For example, these **10 Steps to Starting a Business** and these **10 Steps to Hiring your First Employee** guides are essential reading. Then there are the **Licenses and Permits Search Tool** and the **Loans and Grants Search Tool**.

New Online Tools to Help Business Owners Plan, Manage and Grow

Over the past couple of months, the SBA has expanded its capacity and selection of tools and information that business owners need by developing a whole range of new online features! Check them out:

1. Get to Know Your Market and Competition Better with the SizeUp Tool

Want to know how your business stacks up against the competition? Where your potential competitors are located? Where the best places are to advertise your business? These are all critical inputs for your business plan and can also help back up any financing applications.

Now with the new **SizeUp** tool you can crunch millions of data points and get customizable reports and statistics about your business and its competition. Just enter your industry, city, state and other



details. **SizeUp** then runs various reports and provides maps and data related to your competition, suppliers and customers. It also highlights potential advertising opportunities.

2. Build a Business Plan Tool

Business planning can seem a daunting task, but it doesn’t have to be that way. To help you plan and steer your business, this new **“Build a Business Plan”** tool guides you through the process of creating a basic, downloadable business plan. The great thing about it is you can build a plan in smaller chunks of time, save your progress and return at your leisure.

To use the tool, simply log into SBA.gov and enter information into a template for each section of the business plan including, market analysis, company description and financial projections. The tool is secure and confidential and will keep your plan on record for up to six months. You can also save, download or email the plan at any time.

3. Size Standards Tool - Find Out Fast if You Qualify for Government Contracts

In order to be eligible to sell to the government and compete for small business “set-aside” contracts, business owners had to rummage through various rules and matrices to find out if their business is truly “small” according to **SBA size standards**. Now, with this new **Size Standards Tool**, you can follow three simple steps to cut through the guesswork and quickly find out if you qualify for government contracting opportunities. SBA also offers

other resources including **government contracting training courses**, and **guides to help you register as a contractor**.

4. Events Calendar - Locate Business Training and Seminars

SBA and its partners, including Small Business Development Centers, Women’s Business Centers, and SCORE, hold hundreds of small business training seminars and workshops across the country. Until now, there was no single repository for these events. Now, with SBA’s **Events Calendar**, you can quickly find and sign up for training. Enter a date range and/or zip code to locate events in your area. Results are filtered by topic such as “starting a business,” “managing a business,” “business planning,” and “financing a business.”



Loan Programs for Businesses

Ways borrowers can use the money

(Information current as of 03/03/2015)

Program	Who Qualifies	Use of Proceeds	Maturity	Maximum Loan Amount	Structure	Benefits to Borrower
Basic 7(a)	For profit businesses that can meet SBA's size standards, nature of business, use of proceeds, credit elsewhere, and other miscellaneous eligibility factors.	Acquire land; purchase existing building; convert, expand or renovate buildings; construct new buildings; acquire and install fixed assets; acquire inventory; purchase supplies and raw materials; purchase a business, start a business, leasehold improvements, term working capital; and, under certain conditions, to refinance certain outstanding debts	Based on the use of proceeds and borrower's ability to repay. Not based on collateral. Maximum maturity: 10 years for working capital (seven years is common), 10 years for fixed assets, 25 years for real estate.	A Basic 7(a) can be for as much as \$5 million. SBA's limit to any one business is \$3.75 million so a business can have multiple loans guaranteed by SBA but the guaranteed portion combined cannot exceed \$3.75 million.	Term loans with one monthly payment of principal and interest (P&I). Borrower contribution required. Interest rate depends upon how lender applies for guaranty (see lender program chart). Cannot revolve, no balloon or call provisions.	Business can obtain financing not otherwise available, fixed maturity, available when collateral is limited. Can establish or re-affirm relationship with lender.
International Trade Loan (ITL)	Same as Basic 7(a), plus, business must be engaged or preparing to engage in exporting or be adversely affected by competition from imports.	Acquire, renovate, modernize facilities or equipment used in making products or services to be exported, plus, for permanent working capital and to refinance business debts currently on unreasonable terms.	Same as Basic 7(a).	Same as Basic 7(a), but when borrower has both international trade and working capital loans guaranteed by the SBA, the limit to any one business is \$4 million.	Same as Basic 7(a).	Same as Basic 7(a). Plus, long-term financing for export-related fixed assets and working capital.
Export Working Capital Loan (EWCP)	Same as Basic 7(a). Plus, must be in business one year and engaged or preparing to engage in exporting.	Short-term working capital to cover the costs of filling export orders, including ability to support an Export Stand-By Letter of Credit.	Can be up to a maximum of 36 months but generally 12 months or less.	Gross loan amount \$5.0 million. SBA guaranteed portion \$4.5 million	Finance single or multiple transactions. Interest paid monthly, principal paid as payments from items shipped overseas are collected. Can be renewed annually. Extra fees apply. Percentage of guaranty up to 90%. Generally revolving.	Provides U.S. exporters with a line of credit that can be separated from domestic operations line of credit. Can be used to finance 100% of the cost of filling export orders.
Seasonal CAPLines	Same as Basic 7(a). Plus, in business for at least one year and can demonstrate seasonal financing needs.	To finance the seasonal increases of accounts receivable, inventory and labor.	10 years	Same as Basic 7(a).	Short-term financing for seasonal activities to be repaid at the end of the season when payment for the seasonal activity is made to business	Provides opportunity for seasonal businesses to get seasonal financing not otherwise available.
Contract CAPLines	Same as Basic 7(a). Plus, will perform on contract or purchase order for some third-party buyer.	To finance the cost of one or more specific contract, sub-contract, or purchase order, including overhead or general and administrative expenses, allocable to the specific contract(s).	10 years	Same as Basic 7(a).	Short-term financing for performance of approved contract, sub-contract, or purchase order to be repaid when payment for the activity is made to business. Can be revolving or not.	Provides opportunity for contractors and sub-contractors to get financing not otherwise available.
Builders CAPLines	Same as Basic 7(a). Plus, building/renovating residential or commercial structure for re-sale without knowing buyer at time of approval.	For the direct expenses related to the construction and/or "substantial" renovation costs of specific residential or commercial buildings for resale, including labor, supplies, materials, equipment rental, direct fees. The cost of land is potentially eligible.	Maximum of three years to disburse and build or renovate. Extension possible to accommodate sale.	Same as Basic 7(a).	Short-term financing to build or renovate home or building for sale to unknown third party. "Substantial" means rehabilitation expenses of more than one-third of the purchase price or fair market value at the time of application. Can be revolving or not.	Provides opportunity for residential and commercial builders to get financing not otherwise available.

Program	Who Qualifies	Use of Proceeds	Maturity	Maximum Loan Amount	Structure	Benefits to Borrower
Working Capital CAPLines	Same as Basic 7(a). Borrower should sell on credit and/or have inventory needing immediate replacement after the sale.	For short-term working capital and operating needs, including to finance export sales. Proceeds must not be used to pay delinquent withholding taxes or similar trust funds (state sales taxes, etc.) or for floor planning.	10 years	Same as Basic 7(a).	Structured with requirements for payment of principal tied to the businesses collection of payments from their clientele	Provides opportunity for businesses that sell on credit to get revolving financing not otherwise available.
SBA Express Lender Structured Loans or Lines of Credit	Businesses needing a line of credit to conduct credit in the USA.	Working capital	If revolving, seven-year maximum, including term out period.	\$350,000	Structure is established by individual lender. Lender must have SBA Express designation	Has availability for a line of credit to help with short-term cash needs of the business.
Export Express Lender Structured Loans or Lines of Credit	Businesses needing a line of credit to support exporting activity.	Working capital 70 percent of which is to be used to support exporting activities.	If revolving, seven-year maximum, including term out period.	\$500,000	Structure is established by individual lender. Lender must have Export Express designation	Has availability for a line of credit to help with short-term cash needs of the business.
Non-7(a) Programs						
504 Loan Program	For-profit businesses that can meet the SBA's size standards, nature of business, use of proceeds, credit elsewhere, and other miscellaneous factors.	Non-7(a) Programs For the acquisition of long-term fixed assets, equipment with a useful life of at least 10 years; refinance loan-term fixed asset debt under certain conditions; working capital under certain conditions; to reduce energy consumption; and to upgrade renewable energy resources.	Based on the use of proceeds. Twenty years for real estate. Ten years for machinery and equipment.	The SBA portion of the financing can generally be up to \$5.0 million but may be up to \$5.5 million for manufacturing businesses or energy saving public policy goals.	Loans packaged by Certified Development Companies (CDC) and designed to finance up to 40 percent of a "project" ¹ secured with a 2nd position lien. Another loan from a third party lender financing up to 50 percent of the same project secured in 1st position, and borrower contribution of at least 10 percent. Extra contributions for special-purpose properties and new businesses.	Long-term Treasury fixed rates that are below market, low borrower contribution only 10 to 20 percent, full amortization with no call or balloon conditions.
Microloan Program	Same as Basic 7(a). Plus, nonprofit child-care businesses.	Similar to Basic 7(a). Plus, start-up nonprofit child-care businesses	Shortest term possible, not to exceed six years.	\$50,000 to the small business at any given time.	The SBA provides a loan to a nonprofit micro-lender called an "intermediary" who uses the proceeds to make microloans to small businesses. Technical assistance can also be provided.	Direct loan from nonprofit intermediary lender, fixed-rate financing, can be very small loan amounts, and technical assistance is available.

¹ "Project" is the purchase or lease, and/or improvement or renovation of long-term fixed assets by a small business, with 504 financing, for use in its business operations.

Lender's Programs Chart

Ways lenders can request guarantees

(Information current as of 03/03/2015)

Program Processing	Which Lenders Qualify	Types of Loans that can be Guaranteed	Maximum Allowable Interest Rates	Eligibility Analysis	Credit Analysis	Maximum Loan Amount
Standard Processing	Lenders that have an executed participation agreement with the SBA.	Basic 7(a). International Trade, Export Working Capital, all CAPLines.	Base rate is <i>Wall Street Journal</i> prime, or LIBOR* one month rate plus 3 percent, or SBA Peg rate. Plus , an allowable spread from 2.25 to 2.75 percent based on term. Lender can add 2 percent if loan is \$25,000 or less, and 1 percent if loan is \$25,001 to \$50,000. Can be fixed or variable.	Lender completes eligibility questionnaire and SBA reviews eligibility during loan processing.	Lender to cover all aspects of prudent credit analysis with emphasis on applicant's ability to repay loan from operation. SBA conducts analysis of lender's analysis.	Maximum loan \$5 million. Loans up to \$150,000 guaranteed up to 85 percent; loans over \$150,000 guaranteed up to 75 percent. Business with multiple SBA loans may get some variations.
Certified Lender Program (CLP) Processing	Same as Standard 7(a). Plus, an executed CLP agreement.	Same as Standard 7(a) processing except no policy exceptions.	Same as Standard 7(a).	Same as Standard 7(a).	Same as Standard 7(a) except SBA reviews lender's analysis work, not a re-analysis.	Maximum loan \$5 million. Guaranty percentage same as Standard 7(a).
Preferred Lender Program (PLP) Processing	Same as Standard 7(a). Plus, an executed PLP agreement.	Same as Standard processing except restrictions on loans involving some types of debt refinancing.	Same as Standard 7(a).	Lender completes Eligibility Analysis.	Delegated to lender.	Maximum loan \$5 million. Guaranty percentage same as Standard 7(a).
SBA Express Processing	Same as Standard 7(a). Plus, an executed SBA Express agreement.	Basic 7(a) with restrictions on some types of debt refinancing. Plus, lender structured term and revolving loans.	If \$50,000 or less, cannot exceed prime + 6.5 percent. If over \$50,000, cannot exceed prime + 4.5 percent. Prime may be lender prime.	Lender completes SBA Form 1920 "Eligibility Information."	Delegated to lender.	Maximum loan \$350,000. Guaranty percentage 50 percent.
Export Express Processing	Same as Standard 7(a). Plus, an executed Export Express agreement.	Similar to export working capital loan and international trade loans which meet export related eligibility criteria.	If \$50,000 or less, cannot exceed prime + 6.5 percent. If over \$50,000, cannot exceed prime + 4.5 percent. Prime may be lender prime.	Lender completes SBA Form 1920 "Eligibility Information."	Delegated to lender.	Maximum loan \$500,000. Guaranty percentage range between 75 and 90 percent.
Community Advantage	Lenders that have an executed Community Advantage agreement.	Basic 7(a) except restrictions on some types of refinancing.	Prime + 6 percent.	Lenders complete SBA Form 1920 "Eligibility Information."	Similar to Standard 7(a) except credit factors to consider are more defined.	Maximum loan \$250,000. Guaranty percentage same as Standard 7(a).

• London InterBank Offered Rate

All SBA programs and services are extended to the public on a nondiscriminatory basis.

CONTRACTING

Applying for Government Contracts



The U.S. government is the largest single purchaser of goods and services in the world, buying everything from armored tanks to paper clips. Every year, the federal government awards more than \$500 billion in contracts, and a significant share of those contracts are specifically allotted to small businesses.

The Small Business Administration works with agencies to award at least 23 percent of all prime government contracts to small businesses, with specific statutory goals for small business, small disadvantaged businesses (SDB), businesses that are women-owned (WOSB) or service-disabled veteran-owned (SDVOSB), and businesses that are located in historically underutilized business zones (HUBZone firms).

The agency ensures that small businesses have access to long-lasting development opportunities, which means working with small businesses to help them stay competitive, as well as encouraging federal agencies to award more contracts to small businesses. The SBA provides outreach programs, matchmaking events, and online training opportunities; and helps agencies identify contracting opportunities for small businesses.

HOW GOVERNMENT CONTRACTING WORKS

Sealed bidding vs. Negotiation

There are two contracting methods the government uses to purchase goods and services, sealed bidding and negotiation.

The first method, sealed bidding, involves the issuance of an invitation for bid by a procuring agency. Under the sealed bidding method, a contract is awarded to a responsible bidder whose bid, conforms to the requirements of a solicitation (Invitation for Bids (IFB)) that will be most advantageous to the government, considering only price and the price-related factors included in the IFB. The second method, negotiation, involves issuing a request for proposal (RFP) or request for quotation (RFQ). The business with the best proposal in terms of technical content, best value, price and other factors generally wins the contract.

Types of Contracts

Firm fixed-price contracts place the full responsibility for the costs and risk of loss on the contractor. Firm fixed-price contracts do not permit any adjustment on the basis of the contractor's costs during the performance of the contract. It provides maximum incentive for the contractor to control costs and perform effectively and imposes a minimum administrative burden upon the contracting parties. This type of contract is used in all sealed bid and some negotiated procurements.

Cost reimbursement contracts provide for the payment of allowable costs incurred by the contractor, to the extent stated in the contract. The contract establishes a ceiling price, above which a contractor may not exceed without the approval of the contracting officer. Cost

reimbursement contracts are commonly used in research and development contracts.

Some contracts do not fit neatly into these two categories, such as time and material contracts (prices for hourly wages are fixed but the hours are estimated) and letter contracts (authorizes a contractor to begin work on an urgent requirement).

Small Business Set-Asides

A "set-aside" for small businesses reserves an acquisition exclusively for small business participation. This includes HUBZone Certified small businesses, SBA 8(a) Certified small businesses, Service-Disabled Veteran-Owned small businesses and Economically Disadvantaged/Women-Owned small businesses in specific industries. There are two ways in which set-asides can be determined. First, if an acquisition of goods or services has an anticipated dollar value of at least \$3,000 but not exceeding \$150,000, it is automatically reserved for small businesses. The acquisition will be set aside only if the contracting officer determines there are two or more responsible small businesses that are competitive in terms of prices, quality and delivery. Second, if an acquisition for goods or services is estimated at more than \$150,000, and it is determined that offers will be obtained from two or more responsible small businesses, at a fair market price, the acquisition is reserved exclusively for small business participation.

Reasonable expectations of small business competition may be evaluated using past acquisition history of an item or similar items.

There are several exceptions and unique rules for specific kinds of small businesses and industries. For Research and Development (R&D) small business set-asides, there must be reasonable expectation of obtaining from small businesses the best scientific and technological sources consistent with the requirements of the proposed acquisition. For small business set-asides other than for services or construction services, any business proposing to furnish a product that it did not manufacture must furnish the product of a small business manufacturer unless the SBA has granted either a waiver or exception to this requirement, referred to as the Non-manufacturer rule. In industries where the SBA finds that there are no small business manufacturers, it may issue a waiver to the non-manufacturer rule. Waivers permit small businesses dealers or distributors to provide any domestic firm's product.

Subcontracting

Subcontracting opportunities are a great resource for small businesses, especially for those not ready to bid as prime contractors. Experience gained from subcontracting with a federal prime contractor can better prepare businesses to bid for prime contracts.

Current regulations stipulate that for contracts offering subcontracting opportunities over \$650,000 for goods and services, or \$1.5 million for construction must offer the maximum practicable subcontracting opportunities to small businesses. In addition, potential large business prime contractors must submit a subcontracting plan with their proposal describing how they will successfully maximize subcontracting opportunities to small businesses.

To find subcontracting opportunities, a list of federal prime solicitations is listed under the U.S. Small Business Administration Subcontracting Network (SUBNET) web.sba.gov/subnet/search/index.cfm and through the General Services Administration (GSA) at www.gsa.gov/portal/content/101195. Research the list of prime contractors and determine which are best suited to your business. Develop a marketing strategy, and then contact the Small Business Liaison Officer (SBLO) listed for each prime to schedule an appointment.

SBA CONTRACTING PROGRAMS

HUBZONE

The Historically Underutilized Business Zones (HUBZone) program helps small businesses located in distressed urban and rural communities gain access to federal set-aside contracts and sole source contracts, as well as a price evaluation preference in full and open contract competitions. There is a statutory goal that HUBZone small business concerns be awarded not less than 3 percent of the total value of all prime contract and subcontract awards. The HUBZone program also establishes preference for award of federal contracts to small businesses in these areas. To qualify for the program, a business (except those that are tribally-owned) must meet the following criteria:

- It must be a small business by SBA size standards
- It must be owned and controlled at least 51 percent by U.S. citizens, or a Community Development Corporation (CDC), an agricultural cooperative, or an Indian tribe

- Its principal office must be located within a "Historically Underutilized Business Zone," which includes lands considered "Indian Country" and military facilities closed by the Base Realignment and Closure Act
- At least 35 percent of its employees must reside in a HUBZone.

Note: Different rules apply for Tribal Governments, Alaska Native Corporations, Community Development Corporations and small agricultural cooperatives. These are delineated in Title 13 of the Code of Federal Regulations, Part 126.

Existing businesses that choose to move to qualified areas are eligible to apply for certification provided they meet all the eligibility requirements. To fulfill the requirement that 35 percent of a HUBZone firm's employees reside in a HUBZone, employees must live in a primary residence at a place for at least 180 days, or as a currently registered voter, and with intent to live there indefinitely.

The SBA is responsible for:

- Determining whether or not individual concerns are qualified HUBZone small business concerns;

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- Maintaining a list of qualified HUBZone small business concerns for use by acquisition agencies in awarding contracts under the program;
- Adjudicating protests and appeals of eligibility to receive HUBZone contracts.

For additional information, visit www.sba.gov/hubzone.

8(a) BUSINESS DEVELOPMENT PROGRAM

The 8(a) Business Development program is a nine-year program established to assist eligible socially and economically disadvantaged individuals to develop and grow their businesses. Business development assistance includes one-on-one counseling, training workshops, match-making opportunities with federal buyers and other management and technical guidance. There is a statutory requirement that small disadvantaged business concerns be awarded not less than 5 percent of the total value of all prime contract awards. All firms that become eligible for SBA's 8(a) business development assistance are also considered small disadvantaged business concerns for the purpose of federal contracting.

To be eligible for the 8(a) Business Development program, a business must meet the following criteria:

- It must be a small business by SBA size standards;
- It must be owned (at least 51 percent) by one or more individuals who qualify as socially and economically disadvantaged, and who are U.S. citizens of good character;
- It must be controlled, managed, and operated full-time by one or more individuals who qualify as disadvantaged, and;
- It must demonstrate potential for success (generally by being in business for at least two full years) and have the capacity to perform on government and non-government contracts before applying.

Socially disadvantaged individuals are those who have been subjected to racial or ethnic prejudice or cultural bias because of their identity as a member of a group without regard to their individual capabilities. The following individuals are presumed to be socially disadvantaged: Black Americans, Native Americans, Alaska Natives or Native Hawaiians, Hispanic Americans, Asian Pacific Americans, and Subcontinent Asian Americans.

WHAT YOU SHOULD KNOW ABOUT YOUR BUSINESS

To be eligible to bid on a federal contract, you must know your business. Answer the following three questions:

1. Are you a small business?

Is your small business:

- Organized for profit?
- Located in the U.S.?
- Operated primarily within the U.S. or making a significant contribution to the U.S. economy through payment of taxes or use of American products, materials, or labor?
- Independently owned and operated?
- Not dominant in the field of operation in which it is bidding for government contracts?
- A sole proprietorship, partnership, corporation, or any other legal form?

If the first six criteria apply to your business, ask yourself the second important question to find out if your business meets size standard requirements.

2. What is the size standard for your business?

Size standards are used to determine whether a business is small or "other than small." Size standards vary depending upon the industry. To determine the size standard for your business, you will need a North American Industry Classification code (NAICS). Every federal agency uses these codes when considering your business. To determine your NAICS code, go to www.census.gov/eos/www/naics/. Some SBA programs require their own unique size standards. To find out more about these requirements and other size standard information, go to www.sba.gov/size.

An individual who is not a member of one of these groups must establish individual social disadvantage by a preponderance of evidence.

Economically disadvantaged individuals are socially disadvantaged individuals whose ability to compete in the free-enterprise system has been impaired due to diminished capital and credit opportunities as compared to others in the same or similar line of business who are not socially disadvantaged.

Firms owned by Alaska Native Corporations, Indian tribes, Native

3. Do you fall under a specific certification?

Under the umbrella of "small business," SBA has outlined several specific certifications that businesses may fall under. These certifications are divided into two categories:

SBA-Certified and Self-Certified.

The SBA-Certified Programs were created to assist specific businesses in securing federal contracts and therefore can only be issued by SBA administrators. For the Self-Certified Programs, you can determine for yourself if your business meets the requirements by referring to the Federal Acquisition Regulation (FAR).

Just as Congress has given federal agencies a goal of procuring 23 percent of federal contracts from small businesses, so too must federal agencies meet specific contracting goals for other categories of small firms.

These goals are:

- 23 percent of contracts for Small Businesses
- 5 percent of contracts to Small Disadvantaged Businesses
- 5 percent to Women-Owned Small Businesses
- 3 percent to Service-Disabled Veteran-Owned Small Businesses
- 3 percent to HUBZone Small Businesses

Federal agencies have a strong incentive to fulfill these contracting goals. You should apply for those SBA-Certified and Self-Certified programs for which you qualify to take advantage of contracting opportunities.

Hawaiian organizations, and Community Development Corporations can also apply to the SBA for 8(a) business development assistance.

So that approved firms can obtain training, counseling, and business development assistance, SBA designates a staff person at a local SBA district office, geographically near the business to coordinate the firm's business development assistance.

SBA is responsible for:

- Determining whether a business qualifies for the 8(a) Business Development program;

- Determining whether a business continues to qualify, during the nine-year term;
- Approving Mentor/Protégé agreements between 8(a) firms and large businesses;
- Providing technical guidance and business development assistance during the nine-year term.

For additional information, visit www.sba.gov/8a.

PROCUREMENT TECHNICAL ASSISTANCE CENTERS (PTACs)

Doing business with the government is a big step to growing your business. Procurement Technical Assistance Centers (PTACs) provide local, in-person counseling and training services for you, the small business owner. They are designed to provide technical assistance to businesses that want to sell products and services to federal, state, and/or local governments. PTAC services are available either free of charge, or at a nominal cost. PTACs are part of the Procurement Technical Assistance Program, which is administered by the Defense Logistics Agency.

What can a PTAC do for you?

- Determine if your business is ready for government contracting. Pursuing government contracts is a challenge, and can be burden for your company if you do not have the resources or maturity to handle a contract. A PTAC representative can sit with you one-on-one and determine if your company is ready, and how to position yourself for success.
- Help you register in the proper places. There are numerous databases to register with to get involved with the government marketplace, including the Department of Defense's System for Award Management (SAM), GSA Schedules, and other government vendor sites.
- See if you are eligible in any small business certifications. Some government contracts are set aside for certain businesses that have special certifications, such as woman-owned, minority-owned, and HUBZone. A PTAC representative can help you obtain these certifications, if you are eligible, allowing for more government contract opportunities.
- Research past contract opportunities. A PTAC representative can look into past

contracts, to see what types of contracts have been awarded to businesses like yours.

In addition, a PTAC can help you identify and bid on a contract, and if you are awarded the contract, continue to provide you support through measuring your performance and helping with your contract audits. Don't hesitate to find the PTAC near you today to get started in government contracting or to improve your success.

SMALL DISADVANTAGED BUSINESS

A Small Disadvantaged Business (SDB) is defined as a small business that is at least 51 percent owned and controlled by one or more individuals who are socially and economically disadvantaged.

There is a federal government-wide goal of awarding at least 5 percent of prime contracting dollars to SDBs each year. Large prime contractors must also establish a 5 percent subcontracting goal for SDBs in their subcontracting plans which includes SBA 8(a) certified small businesses.

Firms self-certify as SDB in the federal data base called the System for Award Management (SAM) without submitting any application to the SBA; however, firms approved by the SBA into the 8(a) Business Development Program are automatically certified as an SDB. To self certify, firms should access the website: www.sba.gov/sdb. By reading the information contained therein you will be given guidance as to what steps are required.

SERVICE-DISABLED VETERAN-OWNED SMALL BUSINESS

The Service-Disabled Veteran-Owned Small Business (SDVOSB) program has a federal government-wide goal of awarding at least 3 percent of prime and subcontracting dollars to Service-Disabled Veteran-Owned Small Businesses each year. Large prime contractors must also establish a subcontracting goal for SDVOSBs in their subcontracting plans. These subcontracting goals are reviewed at time of proposal by both the contracting officer and the SBA prior to the award of a contract.

While the SBA does not certify companies as SDVOSBs, SDVOSB protest process is administered by SBA to ensure that only businesses owned by service-disabled veterans

receive contracts reserved exclusively for them. When a business's SDVOSB self-certification is challenged, the SBA determines if the business meets the status, ownership and control requirements.

To determine your eligibility, contact your local veterans' business development officer, visit the various program websites, or contact SBA's Office of Veterans Business Development at www.sba.gov/about-offices-content/1/2985.

WOMEN-OWNED SMALL BUSINESS FEDERAL CONTRACT PROGRAM

On October 7, 2010, the SBA published a final rule effective February 4, 2011, aimed at expanding federal contracting opportunities for women-owned small businesses. The Women-Owned Small Business (WOSB) Federal Contract Program authorizes contracting officers to set aside certain federal contracts for eligible women-owned businesses and economically disadvantaged women-owned small businesses (EDWOSB) in industries where it has been determined WOSBs and EDWOSBs are underrepresented.

To be eligible, a firm must be at least 51 percent owned or controlled by one or more women. The women must be U.S. citizens and the WOSB or EDWOSB must be "small" under its primary industry in accordance with SBA's size standards established for under the North American Industry Classification code assigned to that industry. To be deemed "economically disadvantaged" its owners must demonstrate economic disadvantage in accordance with the requirements set forth in the final rule. For additional information, visit www.sba.gov/wosb.

Protests under the WOSB Federal Contract Program are also administered by the SBA. When a company's WOSB or economically disadvantaged WOSB self-certification is challenged, the SBA determines if the business meets ownership and control requirements.

Large prime contractors must also establish a subcontracting goal for Woman-Owned Small Businesses in their Subcontracting Plans. These subcontracting goals are reviewed at time of proposal by both the contracting officer and the SBA prior to the award of a contract.

GETTING STARTED IN CONTRACTING

Once you have identified the important information regarding your business, it is time to start the process of procuring a government contract.

1. Identify your DUNS (Data Universal Numbering System) Number

To register your business, obtain a DUNS number used to identify and track millions of businesses. You can obtain your free DUNS number when registering with the System for Award Management. Log on to www.sam.gov for more information or by contacting Dun & Bradstreet at www.dnb.com.

2. Identify your EIN (Employer Identification Number)

An EIN, otherwise known as a federal tax identification number, is generally required of all businesses. For more information, go to www.irs.gov.

3. Identify your NAICS (North American Industry Classification) codes

The NAICS codes are used to classify the industry a particular business occupies. You will need at least one NAICS code to complete your registration, but be sure to list as many as apply. You may also add or change NAICS codes at any time. Visit www.census.gov/eos/www/naics/ to find NAICS codes.

4. Identify your SIC (Standard Industrial Classification) codes

The SIC codes are four-digit numbers that are used to classify the industry a particular business occupies. While NAICS codes have largely replaced SIC codes, you will still need to provide your SIC code. SIC codes can be found at www.osha-slc/pls/fmis/sicsearch.html.

5. Register with the System for Award Management (SAM), formerly the Central Contractor Registration (CCR)

The SAM is an online federal government maintained database of companies wanting to do business with the federal government. Agencies search the database for prospective vendors. Register at www.SAM.gov.

After completing registration, you will be asked to enter your small business profile information through the SBA Supplemental Page. The information will be displayed in the Dynamic Small Business Search.

Creating a profile in SAM and keeping it current ensures your firm has access to federal contracting opportunities. Entering your small business profile, including your business information and key word description, allows contracting officers, prime contractors, and buyers from state and local governments to learn about your company.

6. Register with the GSA Schedule

The GSA (General Services Administration) Multiple Award Schedule (aka Federal Supply Schedule) is used by GSA to establish long-term, government-wide contracts with commercial firms. Once these contracts are established, government agencies can order the supplies and services they need directly from the firms through the use of an online shopping tool. Becoming a GSA schedule contractor increases your opportunity for contracts across all levels of government. Businesses interested in becoming GSA schedule contractors should review the information available at www.gsa.gov/schedules.

7. Make Sure Your Business is Financially Sound

This critical step is absolutely necessary to make sure that your business is financially prepared for the journey ahead. Even if you are able to obtain a government contract, you will not be receiving all of the money at once. It helps to have a clear plan of how your business will stage the benefits of the contract.

8. Search Federal Business Opportunities (FedBizOpps) for Contracting Opportunities

FedBizOpps, is an online service operated by the federal government that announces available business opportunities. FedBizOpps helps identify the needs of federal agencies and available contracting opportunities. To begin searching for contracting opportunities, go to www.fbo.gov.

9. Marketing Your Business

Registering your business is not enough to obtain a federal contract; you will need to market your business to attract federal agencies. Tips for good marketing are:

- Determine which federal agencies buy your product or service, and get to know them;
- Identify the contracting procedures of those agencies;
- Focus on opportunities in your niche and prioritize them.
- Although not required, you may want to obtain a PSC (Product Services Code) and/or a FSC (Federal Supply Classification). These codes provide additional information about the services and products your business offers.

ADDITIONAL PROCUREMENT RESOURCES

The following federal procurement resources may also be of assistance:

- **The Certificates of Competency (CoC) program** allows a small business, which is the apparent successful offeror, to appeal a contracting officer's non-responsibility determination that it is unable to fulfill the requirements of a specific government contract. The SBA will conduct a detailed review of the firm's technical and financial capabilities to perform on the contract. If the business demonstrates the capability to perform, the SBA issues a Certificate of Competency to the contracting officer, requiring award of that contract to the small business.
- **Procurement Center Representatives (PCR) and Commercial Marketing Representatives (CMR):** PCRs work to increase the small business share of federal procurement awards. CMRs offer many services to small businesses, including counseling on how to obtain subcontracts. To find a PCR or CMR near you, go to www.sba.gov/content/procurement-center-representatives.
- **PTACs (Procurement Technical Assistance Centers):** PTACs provide assistance to businesses that want to sell products and services to federal, state, and/or local government. To find a PTAC in your state, go to www.dla.mil/SmallBusiness/Pages/ptap.aspx.
- **Department of Defense** (The DoD is the largest purchaser of goods from small businesses): www.acq.osd.mil/osbp/
- **Office of Federal Procurement Policy:** www.whitehouse.gov/omb/procurement_default
- **Acquisition Forecast:** www.acquisition.gov/comp/procurement_forecasts/index.html
- **Federal Supply Schedule (FSS):** www.gsa.gov
- **GSA Center for Acquisition Excellence:** www.gsa.gov/portal/content/103487

SBA DISASTER ASSISTANCE

Knowing the Types of Assistance Available for Recovery



The disaster program is SBA's largest direct loan program, and the only SBA program for entities other than small businesses. SBA is responsible for providing low-interest disaster loans to businesses of all sizes, private non-profit organizations, homeowners and renters following declared disasters.

The SBA is authorized by the Small Business Act to make two types of disaster loans:

Physical Disaster Loans

Physical Disaster Loans are the primary source of funding for permanent rebuilding and replacement of uninsured or underinsured disaster-caused damages to privately-owned real and/or personal property. SBA's physical disaster loans are available to businesses of all sizes, private non-profit organizations, homeowners and renters. Businesses and private, nonprofit organizations of any size may apply for a loan up to \$2 million (actual loan amounts are based on the amount of uncompensated damage) to repair or replace real property, machinery,

equipment, fixtures, inventory and leasehold improvements. A homeowner may apply for a loan of up to \$200,000 to repair or replace the primary residence to its pre-disaster condition. Homeowners or renters may apply for a loan up to \$40,000 to help repair or replace personal property, such as clothing, furniture or automobiles, lost in the disaster.

The SBA may increase a loan up to 20 percent of the total amount of physical loss as verified by SBA to make improvements that protect the property from similar future disasters.

Economic Injury Disaster Loans

Economic Injury Disaster Loans provide the necessary working capital after a declared disaster until normal operations resume. Small businesses, small agricultural cooperatives, small businesses engaged in aquaculture (fisheries, for example) and most private nonprofit organizations of all sizes are eligible for EIDL assistance, regardless of whether there was any physical damage. The loan limit is \$2 million. The EIDL helps small businesses meet ordinary and necessary operating

expenses as they recover from a disaster. The limit for physical and EIDL loans combined is \$2 million.

The Military Reservists Economic Injury Disaster Loan is a working capital loan for small businesses facing financial loss when the owner or an essential employee is called up to active duty in their role as a military reservist. The loan limit is \$2 million and the business can use the funds to cover operating expenses until the essential employee or business owner is released from active duty.

The SBA can only approve disaster loans to applicants having an acceptable credit history and repayment ability. The terms of each loan are established in accordance with each borrower's ability to repay. The law gives SBA several powerful tools to make disaster loans affordable: low-interest rates (around 4 percent), long-terms (up to 30 years), and refinancing of prior liens (in some cases). As required by law, the interest rate for each loan is based on SBA's determination of whether the applicant has credit available elsewhere — the ability to borrow or use their own resources to recover from the disaster without causing undue hardship.



More information on all of SBA's disaster assistance programs, including information for military reservists, is available at www.sba.gov/disaster. Apply online using the Electronic Loan Application (ELA) via SBA's secure Website at: <https://disasterloan.sba.gov/ela>.

Disaster Preparedness

Recovering from a disaster doesn't begin with clearing the debris and returning to work. Imagine stepping into your store, or restaurant, or the office where you run your business, a day or two after the fire has been contained, the tornado has passed, or floodwaters have receded. First come the questions: "How much will it cost to rebuild? Will my insurance cover all this? How will I pay my employees and vendors and cover the bills during the recovery phase?" Before a disaster strikes is a good time to start, or update and test your business continuity plan.

While SBA disaster loans go a long way toward revitalizing communities devastated by the economic fallout that follows disasters, with a solid preparedness plan in place, your business will be able to recover sooner, possibly without taking on new debt.

Assessing your risks and needs are an important first step in developing your business continuity strategy. The American Red Cross' Ready Rating™ program (www.readyrating.org) is a free online tool that helps businesses get prepared for disaster and other emergencies. With Ready Rating you can evaluate your level of disaster readiness, and you'll get customized feedback on how to establish or expand your disaster plan.

Another useful site provided by FEMA — Ready.gov (www.ready.gov) — provides practical disaster preparedness tips and checklists for homeowners, renters and businesses. SBA has teamed up with Agility Recovery Solutions to offer business continuity strategies through the "PrepareMyBusiness" website (www.preparemybusiness.org) and monthly disaster planning webinars. Previous topics — presented by experts in their fields — have included crisis communications, testing the preparedness plan, and using social media to enhance small business recovery. At the website you can sign up for future webinars, view previous webinars, and download checklists that give you tips on risk

assessment, evacuation plans and flood preparedness, that will help you develop a solid business continuity plan.

Meanwhile, here are a few preparedness tips to consider:

- Review Your Insurance Coverage. Contact your insurance agent to find out if your coverage is right for your business and make sure you understand the policy limits. Ask about Business Interruption Insurance, which compensates you for lost income and covers operating expenses if your company has to temporarily shut down after a disaster.
- Establish a solid supply chain. If all your vital external vendors and suppliers are local and if the disaster is significantly widespread, you'll all be in the same boat, struggling to recover. It's a good idea to diversify your list of vendors for key supplies to companies outside your area or internationally, if possible. Create a contact list for important contractors and vendors you plan to use in an emergency and find out if those suppliers have a recovery plan in place. Keep this list with other documents filed in a place that's accessible, and also at a protected off-site location.
- Plan for an alternate location. Do some research well in advance of the disaster for several alternative places to relocate your company in the event a disaster forces you to shut down indefinitely. Some options include contacting a local real estate agent to get a list of available vacant office space. Make an agreement with a neighboring business to share office space if disaster strikes. If possible, make plans for employees to telecommute until the office has been rebuilt.

The financial and emotional cost of rebuilding a business after a disaster can be overwhelming. However, with a business continuity plan in place, you'll be able to rebound and reopen quickly, and in a better position to contribute to the economic recovery of your community.

As small businesses are leading America's economic recovery, many of them are investing time and money into their plans to grow and create jobs. Developing a strong disaster preparedness plan should be a critical and integral piece of those efforts. Planning for a disaster is the best way of limiting its effects.

ADVOCACY AND OMBUDSMAN

Watching Out for the Interests of Small Businesses



OFFICE OF ADVOCACY

The SBA's Office of Advocacy, the "small business watchdog" of the government, examines the role and status of small business in the economy and independently represents the views of small business to federal agencies, Congress, the president and federal appellate courts as friends of the court. The advocacy office compiles and interprets statistics on small business and is the primary entity within the federal government to disseminate small business data.

Headed by the chief counsel for advocacy, the office also funds outside research of small business issues and produces numerous publications to inform policy makers about the important role of small businesses in the economy and the impact of government policies on small businesses. In addition, the office

monitors federal agency compliance with the Regulatory Flexibility Act – the law that requires agencies to analyze the impact of their proposed regulations on small entities (including small businesses, small governmental jurisdictions and small nonprofit organizations), and consider regulatory alternatives that minimize the economic burden on small entities.

Advocacy's mission is enhanced by a team of regional advocates, located in the SBA's 10 regions. They are Advocacy's direct link to small business owners, state and local government entities, and organizations that support the interests of small entities. The regional advocates help identify regulatory concerns of small business by monitoring the impact of federal and state policies at the grassroots level.

Learn more about the Office of Advocacy at www.sba.gov/advocacy.

OFFICE OF THE NATIONAL OMBUDSMAN:

Bringing Fair Regulatory Enforcement to America's Small Businesses

The National Ombudsman has helped thousands of small businesses save time and money by resolving difficult regulatory compliance and enforcement issues. As part of President Obama's mandate to promote a level playing field for small business, we work directly with federal regulators to facilitate

practical and timely resolutions of Regulatory Enforcement Fairness (REF) matters impacting small businesses.

The National Ombudsman oversees fair enforcement of small business regulation by:

- Providing small business owners a confidential way to report and resolve federal REF problems, like excessive enforcement action or disproportionate fines
- Escalating small business concerns to federal agencies for fairness review & resolution
- Grading federal agencies on their small business policies and practices

Small businesses can connect with the National Ombudsman online at sba.gov/ombudsman, in-person, or through a national network of Regulatory Fairness Board Members. The National Ombudsman meets with small business owners around the country at listening sessions and regulatory fairness dialogues in all ten SBA Regions. These outreach events provide critical, real-time input from the small business community on REF issues impacting small business growth and help federal regulators better understand how government can best support small business success.

Regional Regulatory Fairness Boards in each of SBA's 10 regions promote regulatory fairness by alerting federal regulators to important REF issues such as unintended consequences of a new rule or regulation. These Boards, each made up of five small business owners, also help raise awareness in their communities about resources available to small businesses through the SBA and the National Ombudsman.

Every year, the National Ombudsman reports to Congress its findings on the impact of the policies and practices of every federal agency that touches small business.

To learn more about how the National Ombudsman can help your small business, or to confidentially report a REF issue, call 888-REG-FAIR (888-734-3247) or complete the simple one-page form at sba.gov/ombudsman/comment.



ADDITIONAL RESOURCES

Taking Care of Startup Logistics



Even if you are running a small home-based business, you will have to comply with many local, state and federal regulations. Avoid the temptation to ignore regulatory details. Doing so may avert some red tape in the short term, but could be an obstacle as your business grows. Taking the time to research the applicable regulations is as important as knowing your market. Bear in mind that regulations vary by industry. If you're in the food-service business, for example, you will have to deal with the health department. If you use chemical solvents, you will have environmental compliances to meet. Carefully investigate the regulations that affect your industry. Being out of compliance could leave you unprotected legally, lead to expensive penalties and jeopardize your business.

BUSINESS LICENSES

There are many types of licenses, both state and local as well as professional. Depending on what you do and where you plan to operate, your business may be required to have various state and/or municipal licenses, certificates or permits.

Licenses are typically administered by a variety of state and local departments. Consult your state or local government for assistance.

Commonwealth of Massachusetts

Division of Registration
100 Washington St., Ste. 710
Boston, MA 02118
617-727-3074
www.mass.gov/dpl

FICTITIOUS BUSINESS NAME

Search to determine if the name of your proposed business is already in use. If it is not used, register the name to protect your business. For more information, contact the county clerk's office in the county where your business is based. If you are a corporation, you'll need to check with the state.

BUSINESS INSURANCE

Like home insurance, business insurance protects your business against fire, theft and other losses. Contact your insurance agent or broker. It is prudent for any business to purchase a number of basic types of insurance. Some types of coverage are required by law, others simply make good business sense. The types of insurance listed below are among the most commonly used and are merely a starting point for evaluating the needs of your business.

Liability Insurance – Businesses may incur various forms of liability in conducting their normal activities. One of the most common types is product liability, which may be

incurred when a customer suffers harm from using the product. There are many other types of liability, which are frequently related to specific industries. Liability law is constantly changing. An analysis of your liability insurance needs by a competent professional is vital in determining an adequate and appropriate level of protection for your business.

Property – There are many different types of property insurance and levels of coverage available. It is important to determine the property insurance you need to ensure the continuation of your business and the level of insurance you need to replace or rebuild. You should also understand the terms of the insurance, including any limitations or waivers of coverage.

Business Interruption – While property insurance may pay enough to replace damaged or destroyed equipment or buildings, how will you pay costs such as taxes, utilities and other continuing expenses during the period between when the damage occurs and when the property is replaced? Business Interruption (or "business income") insurance can provide sufficient funds to pay your fixed expenses during a period of time when your business is not operational.

"Key Man" – If you (and/or any other individual) are so critical to the operation of your business that it cannot continue in the event of your illness or death, you should consider "key man" insurance. This type of policy is frequently required by banks or government loan programs. It also can be used to provide continuity of operations during a period of ownership transition caused by the death, incapacitation or absence due to a Title 10 military activation of an owner or other "key" employee.

Automobile – It is obvious that a vehicle owned by your business should be insured for both liability and replacement purposes. What is less obvious is that you may need special insurance (called "non-owned automobile coverage") if you use your personal vehicle on company business. This policy covers the business' liability for any damage which may result from such usage.

Officer and Director – Under most state laws, officers and directors of a corporation may become personally liable for their actions on behalf of the company. This type of policy covers this liability.

Home Office – If you are establishing an office in your home, it is a good idea to contact your homeowners' insurance company to update your policy to include coverage for office equipment. This coverage is not automatically included in a standard homeowner's policy.

TAXES

Taxes are an important and complex aspect of owning and operating a successful business. Your accountant, payroll person, or tax adviser may be very knowledgeable, but there are still many facets of tax law that you should know. The Internal Revenue Service is a great source for tax information. Small Business/Self-Employed Tax Center: www.irs.gov/Businesses/Small-Businesses-&Self-Employed.

When you are running a business, you don't need to be a tax expert. However, you do need to know some tax basics. The IRS Small Business/Self-Employed Tax Center gives you the information you need to stay tax compliant so your business can thrive.

For Small Business Forms and Publications visit: www.irs.gov/Businesses/Small-Businesses-&Self-Employed/Small-Business-Forms-and-Publications.

FEDERAL PAYROLL TAX (EIN NUMBERS)

An Employer Identification Number (EIN), also known as a Federal Employer Identification Number (FEIN), is used to identify a business entity. Generally, businesses need an EIN to pay federal withholding tax.

You may apply for an EIN in various ways, one of which is to apply online at www.irs.gov/Businesses/Small-Businesses-&Self-Employed/Employer-ID-Numbers-EINs. This is a free service offered by the Internal Revenue Service.

Call 800-829-1040 if you have questions. You should check with your state to determine if you need a state number or charter.

FEDERAL SELF-EMPLOYMENT TAX

Every employee must pay Social Security and Medicare taxes. If you are self-employed, your contributions

are made through the self-employment tax.

The IRS has publications, counselors and workshops available to help you sort it out. For more information, contact the IRS at 800-829-1040 or www.irs.gov.

State Taxes

You must file your state business taxes separately if you are a partnership or corporation. If you are a sole proprietorship, you file through your personal income taxes. You can obtain the necessary business tax forms and general information from:

Massachusetts State Taxes

Department of Revenue
Customer Service Bureau
200 Arlington St.
Chelsea, MA 02150
617-887-6367 or 800-392-6089
www.mass.gov/dor

Resale Certificate

You will need a resale certificate if you plan to sell products. The permit allows you to purchase inventory from suppliers without paying taxes. To obtain a certificate, contact the MA Department of Revenue, Sales and Use Tax Division for a Form SF-4, Resale Certificate Application. You must obtain a State EIN (Employee Identification Number) – (Form TA-1) prior to obtaining a resale certificate. For an application or for general information call 617-887-6367.

SALES TAX EXEMPTION CERTIFICATE

If you plan to sell products, you will need a Sales Tax Exemption Certificate. It allows you to purchase inventory, or materials, which will become part of the product you sell, from suppliers without paying taxes. It requires you to charge sales tax to your customers, which you are responsible for remitting to the state. You will have to pay penalties if it is found that you should have been taxing your products and now owe back taxes to the state. For information on sales tax issues, contact your state government.

FEDERAL INCOME TAX

Like the state income tax, the method of paying federal income taxes depends upon your legal form of business.

Sole Proprietorship: You must file IRS Federal Form Schedule C along with your personal Federal Income

Tax return (Form 1040) and any other applicable forms pertaining to gains or losses in your business activity.

Partnership: You must file a Federal Partnership return (Form 1065). This is merely informational to show gross and net earnings of profit and loss. Also, each partner must report his share of partnership earnings on his individual Form 1040 based on the information from the K-1 filed with the Form 1065.

Corporation: You must file a Federal Corporation Income Tax return (Form 1120). You will also be required to report your earnings from the corporation including salary and other income such as dividends on your personal federal income tax return (Form 1040).

FEDERAL PAYROLL TAX

Federal Withholding Tax: Any business employing a person must register with the IRS and acquire an EIN and pay federal withholding tax at least quarterly. File Form SS-4 with the IRS to obtain your number and required tax forms. Call 800-829-3676 or 800-829-1040 if you have questions.

IRS WEB PRODUCTS FOR SMALL BUSINESSES

For the most timely and up-to-date tax information, go to www.irs.gov.

VIRTUAL SMALL BUSINESS WORKSHOP

www.irs.gov/Businesses/Small-Businesses-&Self-Employed/Small-Business-Self-Employed-Virtual-Small-Business-Tax-Workshop

The Virtual Small Business Tax Workshop is the first of a series of video products designed exclusively for small business taxpayers. This workshop helps business owners understand federal tax obligations. The Virtual Small Business Workshop is available on CD at www.irs.gov/businesses/small/article/0,,id=101169,00.html if you are unable to attend a workshop in person. Small business workshops are designed to help the small business owner understand and fulfill their federal tax responsibilities. Workshops are sponsored and presented by IRS partners who are federal tax specialists.

Workshop topics vary from a general overview of taxes to more specific topics such as recordkeeping and retirement plans. Although

most are free, some workshops have fees associated with them. Fees for a workshop are charged by the sponsoring organization, not the IRS.

The IRS's Virtual Small Business Tax Workshop is an interactive resource to help small business owners learn about their federal tax rights and responsibilities. This educational product, available online and on CD consists of nine stand-alone lessons that can be selected and viewed in any sequence. A bookmark feature makes it possible to leave and return to a specific point within the lesson. Users also have access to a list of useful online references that enhance the learning experience by allowing them to view references and the video lessons simultaneously.

The Tax Calendar for Small Businesses and Self-Employed (Publication 1518) www.irs.gov/businesses/small/article/0,,id=101169,00.html .html contains useful information on general

business taxes, IRS and SSA customer assistance, electronic filing and paying options, retirement plans, business publications and forms, common tax filing dates, and federal legal holidays.

SOCIAL SECURITY CARDS

All employees must have a Social Security number and card. It must be signed by its owner, and you should always ask to see and personally record the Social Security number. Failure to do so may cause your employee to lose benefits and considerable trouble for yourself in back tracking to uncover the error.

Each payday, your employees must receive a statement from you telling them what deductions were made and how many dollars were taken out for each legal purpose. This can be presented in a variety of ways, including on the check as a detachable portion or in the form of an envelope with the items printed and spaces for dollar deductions to be filled in.

EMPLOYEE CONSIDERATIONS Taxes

If you have any employees, including officers of a corporation but not the sole proprietor or partners, you must make periodic payments towards, and/or file quarterly reports about payroll taxes and other mandatory deductions. You may contact these government agencies for information, assistance and forms.

Social Security Administration

800-772-1213

www.ssa.gov

Social Security's Business Services Online

The Social Security Administration now provides free electronic services online at www.socialsecurity.gov/employer/. Once registered for Business Services Online, business owners or their authorized representative can:

- file W-2s online; and
- verify Social Security numbers through the Social Security Number Verification Service, used for all employees prior to preparing and submitting Forms W-2.

Federal Withholding

U.S. Internal Revenue Service

800-829-1040

www.irs.gov

Health Insurance

Compare plans in your area at www.healthcare.gov.

Employee Insurance

If you hire employees you may be required to provide unemployment or workers' compensation insurance.

WORKPLACE DISABILITY PROGRAMS

Americans with Disabilities Act (ADA): For assistance with the ADA, call 800-669-3362 or visit www.ada.gov.

U.S. CITIZENSHIP AND IMMIGRATION SERVICES

The Federal Immigration Reform and Control Act of 1986 requires employers to verify employment eligibility of new employees. The law obligates an employer to process Employment Eligibility Verification Form I-9. The U.S. Citizenship and Immigration Services Office of Business Liaison offers a selection of information bulletins and live assistance through the Employer Hotline. For forms call 800-870-3676, for the Employer Hotline call 800-357-2099.

E-Verify: Employment Eligibility Verification

E-Verify, operated by the Department of Homeland Security in partnership with the Social Security Administration, is the best — and quickest — way for employers to determine the employment eligibility of new hires. It is a safe, simple, and secure Internet-based system that electronically verifies the Social Security number and employment eligibility information reported on Form I-9. E-Verify is voluntary in most states and there is no charge to use it.

If you are an employer or employee and would like more information about the E-Verify program, please visit www.dhs.gov/E-Verify or contact Customer Support staff: 1-888-464-4218 Monday – Friday 8 a.m. – 5 p.m. E-mail: e-verify@dhs.gov

SAFETY AND HEALTH REGULATIONS

All businesses with employees are required to comply with state and federal regulations regarding the protection of employees. The Occupational Safety and Health Administration provides information on the specific health and safety standards adopted by the U.S. Department of Labor. Call 1-800-321-6742 or visit www.osha.gov.



BUILDING CODES, PERMITS AND ZONING

It is important to consider zoning regulations when choosing a site for your business. You may not be permitted to conduct business out of your home or engage in industrial activity in a retail district. Contact the business license office in the city or town where the business is located.

BAR CODING

Many stores require bar coding on packaged products. Many industrial and manufacturing companies use bar coding to identify items they receive and ship. There are several companies that can assist businesses with bar-coding needs. You may want to talk with an SBDC, SCORE or WBC counselor for more information.

Federal Registration of Trademarks and Copyrights

Trademarks or service marks are words, phrases, symbols, designs or combinations thereof that identify and distinguish the source of goods. Trademarks may be registered at both the state and federal level. To register a federal trademark, contact:

U.S. Patent and Trademark Office

P.O. Box 1450
Alexandria, VA 22313-1450
800-786-9199
www.uspto.gov/

Trademark Information Hotline
703-308-9000

STATE REGISTRATION OF A TRADEMARK

Trademarks and service marks may be registered in a state.

Caution: Federally registered trademarks may conflict with and supersede state registered business and product names.

Patents

A patent is the grant of a property right to the inventor by the U.S. Patent and Trademark Office. It provides the owner with the right to exclude others from making, using, offering for sale or selling the patented item in the United States.

Additional information is provided in the publications, General Information Concerning Patents and other publications distributed through the U.S. Patent and Trademark Office. For more information, contact the:

BUSINESS ORGANIZATION: Choosing Your Business Structure

There are many forms of legal structure you may choose for your business. Each legal structure offers organizational options with different tax and liability issues. We suggest you research each legal structure thoroughly and consult a tax accountant and/or attorney prior to making your decision.

The most common organizational structures are sole proprietorships, general and limited partnerships and limited liability companies.

Each structure offers unique tax and liability benefits. If you're uncertain which business format is right for you, you may want to discuss options with a business counselor or attorney.

Sole Proprietorship

One person operating a business as an individual is a sole proprietorship. It's the most common form of business organization. Profits are taxed as income to the owner personally. The personal tax rate is usually lower than the corporate tax rate. The owner has complete control of the business, but faces unlimited liability for its debts. There is very little government regulation or reporting required with this business structure.

General Partnership

A partnership exists when two or more persons join together in the operation and management of a business. Partnerships are subject to relatively little regulation and are fairly easy to establish. A formal partnership agreement is recommended to address potential conflicts such as: who will be responsible for performing each

task; what, if any, consultation is needed between partners before major decisions, and what happens when a partner dies. Under a general partnership each partner is liable for all debts of the business. Profits are taxed as income to the partners based on their ownership percentage.

Limited Partnership

Like a general partnership, a limited partnership is established by an agreement between two or more persons. However, there are two types of partners.

- A general partner has greater control in some aspects of the partnership. For example, only a general partner can decide to dissolve the partnership. General partners have no limits on the dividends they can receive from profit so they incur unlimited liability.
- Limited partners can only receive a share of profits based on their investment, and liability is similarly limited in proportion to their investment.

LLCs and LLPs

The limited liability company or partnership is a relatively new business form. It combines selected corporate and partnership characteristics while still maintaining status as a legal entity distinct from its owners. As a separate entity it can acquire assets, incur liabilities and conduct business. It limits liability for the owners. The limited liability partnership is similar to the LLC, but it is for professional organizations.

U.S. Patent and Trademark Office
800-786-9199 • www.uspto.gov

Copyrights

Copyrights protect original works of authorship including literary, dramatic, musical and artistic, and certain other intellectual works. Copyrights do not protect facts, ideas and systems, although it may protect the way these things are expressed. For general information contact:

U.S. Copyright Office
U.S. Library of Congress
James Madison Memorial Building
Washington, DC 20559
202-707-9100 - Order Line
202-707-3000 - Information Line
www.copyright.gov

OTHER ASSISTANCE

OTHER SOURCES OF ASSISTANCE

Small Business Resources

AARP MASSACHUSETTS

Kara Cohen, Community Outreach Director
One Beacon St., Ste. 2301
Boston, MA 02108
617-305-0569
www.aarp.org/ma

ART MORPHEUS

BOSTON CENTER FOR THE ARTS

Liora Beer, Director
539 Tremont St.
Boston, MA 02116
617-456-1131
www.artmorpheus.org
beer@artmorpheus.org
Non-profit organization that promotes a vibrant artistic community and economic revitalization for working artists.

ASCENTRIA CARE ALLIANCE

14 E. Worcester St., Ste. 300
Worcester, MA 01604
774-243-3900
www.ascentria.org
593 Main St.
West Springfield, MA 01089
413-787-0725
In Massachusetts we offer; the micro-enterprise development program to train and assist refugees and asylees to start or strengthen their own business and attain economic self sufficiency through self-employment.

ASSOCIATED INDUSTRIES OF MASSACHUSETTS - AIM

Robert Paine, SVP for Membership
One Beacon St., 16th Fl.
Boston, MA 02108
617-262-1180
rsp@aimnet.org
www.aimnet.org

ASSOCIATED SUBCONTRACTORS OF MASSACHUSETTS, INC.

31 State St., 4th Fl.
Boston, MA 02109
www.associatedsubs.com
ASM is the state's leading association for specialty contractors. Our business is helping you do yours!

BERKSHIRE ENTERPRISES

BUSINESS INFORMATION CENTER

Steve Fogel
1350 West St.
Pittsfield, MA 01201
413-236-2140 • 413-443-5166 Fax
sfogel@berkshireenterprises.com
www.berkshireenterprises.com/index.htm

BOSTON REDEVELOPMENT AUTHORITY

One City Hall, 9th Fl.
Boston, MA 02201
617-722-4300
www.bostonredevelopmentauthority.org

THE BUSINESS COALITION

Dennis Warren, Co-Founder & President
One Boston Place, Ste. 2600
Boston, MA 02108
781-935-9580
staff@thebusinesscoalition.org
The Busiess Coalition (TBC) is a non-profit organization whose members are comprised of companies, agencies and institutions experienced in international trade & development. Our members believe the private sector can help stimulate the U.S. economy and create jobs by actively supporting international trade initiatives.

BUSINESS GROWTH CENTER

Marla Michel
Director, Business Growth Center at Springfield Technology Park
1 Federal St., Bldg. 101R
Springfield, MA 01105
413-355-5686
mmichel@businessgrowthcenter.org
www.businessgrowthcenter.org

CITY OF BOSTON

DEPARTMENT OF NEIGHBORHOOD DEV. OFFICE OF BUSINESS DEVELOPMENT

Rafael Carbonell, Deputy Director
26 Court St., 9th Fl.
Boston, MA 02108
617-635-0355
www.cityofboston.gov/dnd/obd
The Office of Business Development provides entrepreneurs and existing businesses with access to financial and technical resources. OBD also supports the nationally recognized Boston Main Streets program, designed to promote the continued revitalization of the City's neighborhood commercial districts through public/private partnerships.

CITY OF SOMERVILLE *

Ed O'Donnell, Director of Economic Development
City Hall, 93 Highland Ave.
Somerville, MA 02143
ospc@somervillema.gov

CITY OF WORCESTER

Division of Business Assistance
Worcester City Hall
455 Main St.
Worcester, MA 01608
508-799-1400
development@worchesterma.gov
Office Hours: Mon.-Fri. 8:30 am to 5:00 pm.

COLLABORATIVE FOR ENTREPRENEURSHIP & INNOVATION

Gina M. Betti, Associate Director
Worcester Polytechnic Institute
100 Institute Rd.
Worcester, MA 01609
gbetti@wpi.edu
508-831-5761
www.wpi.edu/+CEI or
www.theventureforum.org

COMMONWEALTH OF MASSACHUSETTS COMMBUYS NEW E-PROCUREMENT SYSTEM

www.commbuys.com
Whether you are a supplier or a buyer, COMMBUYS will ensure you get the best deals in a fair, transparent, open and competitive process. Connecting business with government.

COMMONWEALTH OF MASSACHUSETTS DIVISION OF REGISTRATION

239 Causeway St.
Boston, MA 02114
617-727-3074
www.mass.gov
Supervises and provides services to 33 occupational regulatory boards that are responsible for establishing minimum standards of competence and conduct representing 46 professions in the Commonwealth of Massachusetts.

COMMONWEALTH OF MASSACHUSETTS STATE OFFICE OF SUPPLIER DIVERSITY (SDO) (FORMERLY SOMWBA)

1 Ashburton Place, 13th Fl., Ste. 1313
Boston, MA 02108
617-502-8831
www.mass.gov/sdo
Provides services in certification, enforcement and business assistance to minority and women-owned businesses.

CONSUMER AFFAIRS AND BUSINESS REGULATIONS

www.mass.gov/consumer

CONSUMER HOTLINE

888-283-3757 Toll Free in MA only
or 617-973-8787 locally

COOPERATIVE FUND OF NEW ENGLAND

www.coopfund.coop
800-818-7833
Maggie Cohn, Eastern Massachusetts Outreach Officer
maggie@coopfund.coop
Mary Hoyer, Western Massachusetts Outreach Officer
Mary@coopfund.coop
The Cooperative Fund of New England (CFNE) provides financing and facilitates technical assistance to worker-owned cooperatives, including the sale of traditionally-owned businesses to its employees.

CPA REFERRAL SERVICE

www.mscaonline.org
mscpa@MSCPAonline.org

DOD NORTHEAST REGIONAL COUNCIL

The Council promotes Federal Small Business Programs. For Small Businesses, the council can help you find Government Prime Contracting and Subcontracting opportunities through Matchmakers, other events and by putting you in touch with your local Procurement Technical Assistance Center (PTAC) and other on-line sources.
<http://dodneregional.org/index.html>

EPA SMALL BUSINESS COMPLIANCE ASSISTANCE

www.epa.gov/compliance/incentives/smallbusiness/index.html

FAMILY BUSINESS ASSOCIATION

Liz Pratt
101 Huntington Ave., Ste. 500
Boston, MA 02199
www.fbaedu.com

FDIC

Kip Child
Community Affairs Specialist
15 Braintree Hill Office Park
Braintree, MA 02184
781-794-5636
kchild@fdic.gov

GREATER NEW ENGLAND MINORITY SUPPLIER DEVELOPMENT COUNCIL

100 Huntington Ave.
Boston, MA 02116-6507
617-578-8900
www.cmsdc.org
The Greater New England Minority Supplier Development Council works to increase the procurement opportunities between corporate members and certified minority owned businesses.

HARVARD INNOVATION LAB

Neal Doyle, Coordinator
125 Western Ave.
Boston, MA 02163
617-495-3677
neal_doyle@harvard.edu
www.i-lab.harvard.edu

HISPANIC-AMERICAN CHAMBER INSTITUTE

406 S. Huntington Ave.
Boston, MA 02130
617-522-0387
www.hacionline.org
The Institute promotes economic, social, and educational development in Hispanic communities in the United States and Latin America.

HISPANIC AMERICAN CHAMBER OF COMMERCE

225 Franklin St., Ste. 2600
Boston, MA 02110
info@hacc.com
www.hacc.com

INTERISE

197 Portland St., 2nd Fl.
Boston, MA 02114
617-350-6300
www.interise.org
Interise (formerly InnerCity Entrepreneurs) is the premier organization for established small businesses interested in growth. Interise seeks to fill a gap in small business economic development by using practice and applied research to promote job creation, wealth generation, and community building.

OTHER ASSISTANCE

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1 Milk St., 4th Fl.
Boston, MA 02109
617-695-9990
www.iiboston.org

IRS SMALL BUSINESS & SELF-EMPLOYED TAX CENTER SMALL BUSINESS AND SELF-EMPLOYED "FILING SEASON CENTRAL"

Filing Season Central is your one stop assistance center for filing your business returns. This includes Highlights of Tax Law Changes, Tax Tips, and more.
www.irs.gov/businesses/small/index.html

KIRSTEIN BUSINESS LIBRARY BOSTON PUBLIC LIBRARY

Copley Square
700 Boylston St.
Boston, MA 02116
617-859-2142
Business reference books, magazines, business databases and librarians to help you use them! Statistics for business plans, sample plans, books on starting small businesses. Take a look at the library's business databases
www.bpl.org/electronic/business.asp
Most databases are usable outside from Kirstein with a free library card or ecard
www.bpl.org/general/circulation/ecards.htm

LAWYER REFERRAL SERVICE

www.massbar.org

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Lynn, MA 01904
781-592-2900 • 781-592-2903 Fax
info@LynnAreaChamber.com
www.lynnchamber.com

MASSACHUSETTS ASSOCIATION OF COMMUNITY DEVELOPMENT CORPORATIONS (MACDC)

15 Court Sq., Ste. 600
Boston, MA
617-426-0303
www.macdc.org
Our mission is to support and advance the affordable housing, economic development and community building strategies of our members, and to build the power of low and moderate income people to achieve greater economic, social and racial justice.

MASSACHUSETTS BANKERS ASSOCIATION

One Washington Mall, 8th Fl.
Boston, MA 02108-2603
617-523-7595
www.massbankers.org
The Massachusetts Bankers Association represents commercial, savings and co-operative banks and savings and loan institutions located in Massachusetts and elsewhere in New England.

MASSACHUSETTS BAR ASSOCIATION

20 West St.
Boston, MA 02111
617-338-0500

MASSACHUSETTS OFFICE OF BUSINESS DEVELOPMENT

10 Park Plaza, Ste. 3730
Boston, MA 02116
617-973-8600
<http://www.mass.gov/hed/business/resources/>
One-stop business assistance which helps businesses identify and access state programs and resources.

MASSACHUSETTS CLEAN ENERGY CENTER

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Boston, MA 02110
617-315-9355
www.masscec.com

MASSACHUSETTS COMMUNITY & BANKING COUNCIL (MCBC)

Dana LeWinter, Executive Director
P.O. Box 45578
Somerville, MA 02145
dlewinter@mcbc.info
800-982-8268

MASSACHUSETTS DIVISION OF OCCUPATIONAL SAFETY ON-SITE CONSULTATION PROGRAM

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www.mass.gov/dos/consult/index.htm

MASSACHUSETTS EXPORT CENTER SMALL BUSINESS DEVELOPMENT CENTER

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Boston, MA 02116
617-973-8664
www.mass.gov/export/
Provides export assistance to small businesses and special export loan program.

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Charlestown, MA 02129
617-523-6262
www.massgcc.com

MASSACHUSETTS HEALTH CONNECTOR

David J. Kerrigan
Director of Business Development
100 City Hall Plaza, 5th Fl.
Boston, MA 02108
617-933-3040 • 617-933-3099 Fax
david.j.kerrigan@state.ma.us
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www.mahealthconnector.org
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781-373-7777 • 781-622-1530 Fax
www.masslifesciences.com

MASSACHUSETTS LATINO CHAMBER OF COMMERCE

Corporate Office
1655 Main St., Ste 201
Springfield, MA 01103
413-746-1989
www.masslatinochamber.com

MASSACHUSETTS MANUFACTURING EXTENSION PARTNERSHIP *

100 Grove St., Ste. 108
Worcester, MA 01605
508-831-7020
www.massmep.org
The Massachusetts Manufacturing Extension Partnership (MassMEP) helps organizations transform to a Next Generation Manufacturer that is better able to compete in a global economy.

MASSACHUSETTS OFFICE OF INTERNATIONAL TRADE & INVESTMENT

Boston Fish Pier
212 Northern Ave., East Bldg. I, Ste. 300
Boston, MA 02210
617-830-5400 • 617-457-7851 Fax
www.mass.gov/moiti

MASSACHUSETTS OILHEAT COUNCIL

118 Cedar St.
Wellesley Hills, MA 02481
781-237-0730
www.massoilheat.org
The Massachusetts Oilheat Council (MOC) is a business association for heating Oil and petroleum products companies. While MOC's primary mission is to promote and protect Oilheat, the MOC has become an important resource for consumers, businesses, government officials and the media who seek information about Oilheat and its important role in the energy mix of Massachusetts

MASSACHUSETTS RESTAURANT ASSOCIATION (MRA)

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508-303-9905

MASSACHUSETTS SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

105 Chauncy St., 10th Fl.
Boston, MA 02111
617-556-4000

MASSACHUSETTS TECHNOLOGY COLLABORATIVE

Pamela Goldberg, CEO
75 North Dr.
Westborough, MA 01581
617-371-3999
www.masstech.org
An innovative public economic development agency working to support a vibrant, growing economy across Massachusetts. Our strength stems from partnerships and industry insights. We develop meaningful collaborations across industry, academia and government which serve as powerful catalysts, turning good ideas into economic opportunity.

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Boston, MA 02210
888-782-7820
www.masschallenge.org

MASS DEVELOPMENT

160 Federal St.
Boston, MA 02110
800-445-8030
www.massdevelopment.com
MassDevelopment works with businesses, nonprofits, and local, state, and federal officials and agencies to strengthen the Massachusetts economy. Through these collaborations we help create jobs, increase the number of housing units, eliminate blight, and address factors limiting economic growth including transportation, energy, and infrastructure deficiencies.

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Walter M. (Jerry) Bird, President
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Boston, MA 02210
617-723-4920
www.mass-ventures.com
MassVentures is a venture capital firm focused on fueling the Massachusetts innovation economy by funding early-stage, high-growth Massachusetts startups as they move from concept to commercialization.

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978-322-8400 • 978-441-6824 Fax
www.merrimackvalleysmallbusiness.com

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METRO SOUTH CHAMBER OF COMMERCE

Chris Cooney
60 School St.
Brockton, MA 02301-4087
508-586-0500 • 508-586-1340 Fax
Chris@metrosouthchamber.com
www.metrosouthchamber.com

MINORITY BUSINESS DEVELOPMENT AGENCY *

Business Center
100 Huntington Ave., Copley Place
Boston, MA 02116
617-986-6366

MLK JR. BUSINESS EMPOWERMENT CENTER

237 Chandler St.
Worcester, MA 01609
508-756-6330
www.mlkj-bec.org

OTHER ASSISTANCE

NATIONAL ASSOCIATION OF MINORITY CONTRACTORS - NEW ENGLAND CHAPTER *

Michael Jefferson, Executive Director
One Federal St.
Springfield, MA 01105
860 278 7850
mjjefferson@themdc.com
The National Association of Minority Contractors - NE Chapter works to increase the economic footprint of minority owned constructions firms through training & development, collaborative strategies and political advocacy.

NATIONAL ASSOCIATION OF ASIAN AMERICAN PROFESSIONALS - BOSTON CHAPTER *

Jesse Nandhavan, President
P.O. Box 51922
Boston, MA 02205
617-506-3641
NAAAP Boston is the local chapter of National Association of Asian American Professionals (NAAAP), a 501(c)(3) nonprofit organization that is dedicated to cultivate, support and promote Asian American leaders through professional development programs, community services engagements and diverse industry connections.

NATIONAL FEDERATION OF INDEPENDENT BUSINESSES - MA (NFIB-MA)

www.nfib.com/page/homeMA

NEW ENGLAND BUSINESS ASSOCIATES

Business Consulting Center
Colleen Moynihan, Director
Scibelli Enterprise Center
One Federal St.
Springfield, MA 01105
413-821-9200 ext. 132
Colleen.moynihan@nebaworks.com
www.nebaworks.com

NORTHEASTERN UNIVERSITY CENTER FOR FAMILY BUSINESS

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Boston, MA 02115
617-373-7031 • 617-373-3718 Fax
ted.clark@neu.edu

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Walter Wise, President and CEO
P.O. Box 52113
Boston, MA 02205
617-938-3933
info@nevbrc.org
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PROCUREMENT TECHNICAL ASSISTANCE CENTER

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Business Growth Center
Scibelli Enterprise Center, Bldg. 101
1 Federal St.
Springfield, MA 01105
413-545-6307 • 413-737-2312 Fax
www.msdbc.org/ptac/
ptachelp@msdbc.umass.edu
Guides you through the government procurement process and provides you with information on how to become more competitive in the government marketplace.

RETAILERS ASSOCIATION OF MASSACHUSETTS

18 Tremont St., Ste. 810
Boston, MA 02108
617-523-1900
www.retailersma.org
A statewide trade association dedicated to promoting and protecting the retail industry through government relations and money-saving benefits for members.

SECRETARY OF THE COMMONWEALTH

800-392-6090

SMALL BUSINESS SERVICE BUREAU, INC. NATIONAL OPERATIONS CENTER

554 Main St./ P.O. Box 15014
Worcester, MA 01615-0014
800-343-0939
The Small Business Service Bureau improves the business climate for small businesses through its programs, services and active Legislative Advocacy program. SBSB offers members high-quality business and financial products and services at competitive prices, serving as the small business owner's single source for all his or her small business needs.

SMALLER BUSINESS ASSOCIATION OF NEW ENGLAND

1601 Trapelo Rd., Ste. 212
Waltham, MA 02451
781-890-9070
info@sbane.org
www.sbane.org

SOUTH COAST BUSINESS INFORMATION CENTER C/O SMALL BUSINESS DEVELOPMENT CENTER

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Fall River, MA 02721-1585
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Plymouth, MA 02360
306 Centre St.
Middleboro, MA 02369
www.thenathanhaleveteransoutreachcenter.plymouthma



THE VENTURE FORUM

85 Prescott St.
Worcester, MA 01605
www.theventureforum.org/
innovation@theventureforum.org

TRIBAL PROCUREMENT INSTITUTE

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Green Bay, WI 54303
920-496-7430

U.S. DEPARTMENT OF AGRICULTURE (USDA)

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800-352-8015 Toll Free or 413-253-4300
413-253-4347 Fax
www.rurdev.usda.gov/ma/

U.S. DEPARTMENT OF COMMERCE INTERNATIONAL TRADE ADMINISTRATION

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55 New Sudbury St., Ste. 1826A
Boston, MA 02203
617-565-4301
Promotes international trade; provides market research, trade leads and counseling.

U.S. DEPARTMENT OF LABOR STATISTICS BOSTON REGIONAL OFFICE

JFK Federal Bldg., Rm. E-310
Boston, MA 02203
617-565-2327 • 617-565-4182 Fax
www.dol.gov
Information on wage & hour laws; health and safety regulations.

U.S. FISH AND WILDLIFE SERVICE NORTHEAST REGIONAL OFFICE

300 Westgate Center Dr.
Hadley, MA 01035-9587
413-253-8200
www.fws.gov/
The U.S. Fish and Wildlife Service is a bureau within the Department of the Interior. This bureau works with others to conserve, protect and enhance fish, wildlife and plants and their habitats for the continuing benefit of the American people.

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www.gsa.gov
Front door to contracting opportunities with GSA. Call to make an appointment.

U.S. INTERNAL REVENUE SERVICE

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www.irs.gov
Provides federal tax questions, tax forms and publications.

VENTURE DEVELOPMENT CENTER

William Brah, Executive Director
University of Massachusetts - Boston
Wheatley Hall, 3rd Fl.
100 Morrissey Blvd.
Boston, MA 02125
617-287-6070
<http://www.umb.edu/vdc>
Technology and life science startups launching at the Venture Development Center have an 86% success rate, raising an average of \$3,022,429!

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Michael Fitzgerald, President
200 Springs Rd., Rm. 116B
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978-514-5703
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www.vboi.org

WORCESTER BUSINESS RESOURCE ALLIANCE

455 Main St. 4th Fl.
Worcester, MA 01608
508-799-1400 ext. 3
Info@worcestermass.org

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Canton, MA 02021
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603-894-5700

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Providence, RI 02903
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160 Main St.
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413-236-3288

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Roslindale, MA 02131
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Hyannis, MA 02601
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Cambridge, MA 02141
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EAST WEST BANK (PLP,EXP,EX)

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617-897-1091

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East Boston, MA 02128
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978-632-2542 ext. 1183

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GREENFIELD SAVINGS BANK (PLP,EXP)

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413-774-3191

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North Grafton, MA 01536
508-839-5493

HOME LOAN AND INVESTMENT BANK, FSB (PLP,EXP,EX)

One Home Loan Plaza, Ste. 3
Warwick, RI 02886
800-722-5671

HOMETOWN BANK (PLP,EXP)

31 Sutton Ave.
Oxford, MA 01540
508-987-1200

INDEPENDENCE BANK (PLP,EXP,EX)

1370 S. County Tr.
East Greenwich, RI 02818
401-471-6300

INSTITUTION FOR SAVINGS (EXP,EX)

312 Haverhill Rd.
Rowley, MA 01969
978-225-1387

JEANNE D'ARC CREDIT UNION (EXP,EX)

658 Merrimack St.
Lowell, MA 01854
978-323-4710

LEADER BANK (PLP,EXP)

180 Massachusetts Ave.
Arlington, MA 02474
781-646-3900 ext. 183

LEE BANK (PLP,EXP)

75 Park St.
Lee, MA 01238
413-243-9295

LENOX NATIONAL BANK

7 Main St.
Lenox, MA 01240
413-637-0017

LEOMINSTER CREDIT UNION (EXP,EX)

20 Adams St.
Leominster, MA 01453
978-466-7375

LIBERTY BAY CU (PLP,EXP,EX)

350 Granite St.
Braintree, MA 02184
617-439-6575

LOWELL FIVE CENT SAVINGS BANK (EXP)

34 John St.
Lowell, MA 01852
978-441-6417

MANSFIELD BANK (EXP)

80 N. Main St.
Mansfield, MA 02048
508-851-3653

MARBLEHEAD BANK (EXP,EX)

21 Atlantic Ave.
Marblehead, MA 01945
781-631-5500

MARLBOROUGH SAVINGS BANK (EXP)

178 Main St.
Marlborough, MA 01752
508-460-4154

MARTHA'S VINEYARD SAVINGS BANK (EXP)

P.O. Box 1069
Edgartown, MA 02539
508-627-4266

MASS. BUSINESS DEVELOPMENT (PLP)

500 Edgewater Dr., Ste. 555
Wakefield, MA 01880
781-928-1100

MECHANICS CO-OPERATIVE BANK (PLP,EXP,EX)

15 W. Britannia St.
Taunton, MA 02780
508-884-2151

MERRIMACK VALLEY FEDERAL CREDIT UNION (EXP)

500 Merrimack St.
Lawrence, MA 01843
978-975-4095

METRO CREDIT UNION (EXP)

200 Revere Beach Pkwy.
Chelsea, MA 02150
617-889-7736

MIDDLESEX SAVINGS BANK (PLP,EXP,EX)

6 Main St.
Natick, MA 01760
508-315-5424

MILFORD FEDERAL SAVINGS BANK AND LOAN ASSOCIATION

246 Main St.
Milford, MA 01757
508-381-5228

MILFORD NATIONAL BANK AND TRUST COMPANY (PLP,EXP,EX)

P.O. Box 228
Milford, MA 01757
508-244-5137

MILLBURY FEDERAL CREDIT UNION (EXP)

50 Main St.
Millbury, MA 01527
508-865-7614

MILLBURY NATIONAL BANK

18 Main St.
Millbury, MA 01527
508-865-9521

MILLBURY SAVINGS BANK (EXP)

109 Elm St.
Millbury, MA 01527
508-581-6257

MONSON SAVINGS BANK (PLP,EXP,EX)

197 Main St.
Monson, MA 01057
413-267-1205

MOUNTAINONE BANK (PLP,EXP,EX)

93 Main St.
North Adams, MA 02147
413-663-1111

MT WASHINGTON BANK

455 W. Broadway
South Boston, MA 02127
857-524-1059

MUTUAL BANK (PLP,EXP,EX)

570 Washington St.
Whitman, MA 02382
781-524-5044

MUTUALONE BANK (PLP,EXP,EX)

160 Cochituate Rd.
Framingham, MA 01701
508-532-8347

NATIONAL GRAND BANK OF MARBLEHEAD (EXP)

91 Pleasant St.
Marblehead, MA 01945
781-631-6000

NBT (PLP,EXP,EX)

331 State Rd.
North Adams, MA 01247
413-664-6521

NEEDHAM BANK

1063 Great Plain Ave.
Needham, MA 02492
781-474-5438

NEWBURYPORT FIVE CENTS SAVINGS BANK

63 State St.
Newburyport, MA 01950
978-462-3136

NEWTEK SMALL BUSINESS FINANCE, INC. (PLP,EXP,EX)

462 Seventh Ave., 14th Fl.
New York, NY 10018
212-356-9510

NORTH BROOKFIELD SAVINGS BANK (PLP,EXP)

35 Summer St.
North Brookfield, MA 01535
508-867-0732

NORTH MIDDLESEX SAVINGS BANK (EXP)

P.O. Box 469
Ayer, MA 01432
978-772-8502 ext. 1121

NORTH SHORE BANK (EXP,EX)

248 Andover St.
Peabody, MA 01960
978-538-7052

NORTHEAST COMMUNITY BANK

66 Elm St.
Danvers, MA 01923
978-716-3225

NORTHEAST BANK

200 Berkeley St.
Boston, MA 02117
203-985-9365

NORTHERN BANK & TRUST COMPANY (EXP)

275 Mishawum Rd.
Woburn, MA 01801
781-937-5400

NORTHMARK BANK (EXP)

89 Turnpike St./P.O. Box 825
North Andover, MA 01845
978-686-9100

NORWOOD BANK

11 Central St.
Norwood, MA 02062
781-440-4272

NUVO BANK & TRUST (EXP)

1500 Main St.
Springfield, MA 01115
413-787-2724

PATRIOT COMMUNITY BANK

237 Lexington St.
Woburn, MA 01801
781-404-1207

PENTUCKET BANK (PLP,EXP,EX)

One Merrimack St.
Haverhill, MA 01830
978-556-5447

PEOPLESBANK (EXP)

330 Whitney
Holyoke, MA 01040
413-493-8697

PEOPLES FEDERAL SAVINGS BANK

P.O. Box 35036
Brighton, MA 02135
617-254-0707

PEOPLE'S UNITED BANK (PLP,EXP,EX)

491 Shrewsbury St.
Worcester, MA 01604
508-890-7674

PILGRIM BANK (EXP)

40 S. Main St.
Cohasset, MA 02025
781-236-0908

PITTSFIELD COOPERATIVE BANK (EXP)

P.O. Box 1076
Pittsfield, MA 01202
413-447-7304

PROVIDENT BANK (THE) (PLP,EXP,EX)

5 Market St./P.O. Box 37
Amesbury, MA 01913
978-834-8564

SBA PARTICIPATING LENDERS

RADIUS BANK (PLP,EXP,EX)

One Harbor St., Ste. 201
Boston, MA 02210
617-728-7320

RANDOLPH SAVINGS BANK (EXP,EX)

10 Cabot Place
Stoughton, MA 02072
781-573-1356

READING CO-OPERATIVE BANK (EXP)

160 Cochituate Rd.
Reading, MA 01867
781-942-5006 ext. 106

ROCKLAND FEDERAL CREDIT UNION

241 Union St.
Rockland, MA 02370
800-562-7328

ROCKLAND TRUST (PLP,EXP,EX)

2036 Washington St.
Hanover, MA 02339
781-982-6546

ROCKPORT NATIONAL BANK (EXP)

16 Main St.
Rockport, MA 01966
978-309-1261

ROLLSTONE BANK & TRUST (PLP,EXP)

529 Electric Ave.
Fitchburg, MA 01420
978-343-2167

RTN FEDERAL CREDIT UNION (EXP)

600 Main St.
Waltham, MA 02452
781-736-9900

S-BANK (PLP,EXP)

195 Washington St.
Weymouth, MA 02188
781-682-4404

SAGE BANK

15 Hurd St.
Lowell, MA 01852
978-322-7054

ST. ANNE'S CREDIT UNION OF FALL RIVER (EXP)

286 Oliver St.
Fall River, MA 02724
508-991-4446

ST JEAN'S CREDIT UNION (EXP)

370 Highland Ave.
Salem, MA 01970
978-219-1029

ST. MARY'S CREDIT UNION (PLP,EXP)

293 Boston Post Rd.
Marlborough, MA 01752
508-490-6747

SALEM FIVE CENTS SAVINGS BANK (PLP,EXP,EX)

210 Essex St.
Salem, MA 01970
978-720-5260

SALISBURY BANK & TRUST (EXP)

210 Main St.
Great Barrington, MA 01230
413-528-1201

SANTANDER BANK (PLP,EXP,EX)

19 Pleasant St.
Woburn, MA 02903
617-953-9135

SAUGUS BANK

481 Lincoln Ave.
Saugus, MA 01906
781-426-2137

SAVERS BANK

P.O. Box 250
Southbridge, MA 01550
508-765-7389

SAVINGS BANK (THE) (EXP,EX)

357 Main St.
Wakefield, MA 01880
781-224-3564

SCITUATE FEDERAL SAVINGS BANK (EXP)

560 Plain St.
Marshfield, MA 02050
781-834-2104 ext. 36

SEAMEN'S BANK (EXP)

P.O. Box 659
Provincetown, MA 02657
508-487-8424

SOUTH SHORE BANK (PLP,EXP,EX)

1530 Main St.
South Weymouth, MA 02190
781-682-3283

SOUTHBRIDGE CREDIT UNION (EXP)

155 Main St.
Southbridge, MA 01550
508-909-7194

SOUTHBRIDGE SAVINGS BANK (PLP,EXP,EX)

7-11 Elm St.
Southbridge, MA 01550
508-764-0079

SPENCERBANK (PLP,EXP,EX)

176 Main St.
Spencer, MA 01562
508-885-5313

STCU CREDIT UNION

145 Industry Ave.
Springfield, MA 01104
413-732-9812

STONEHAM SAVINGS BANK

335 Main St.
Stoneham, MA 02180
978-720-5156

TD BANK (PLP,EXP,EX)

17 New England Executive Park
Burlington, MA 01803
781-505-5042

UNIBANK FOR SAVINGS (PLP,EXP)

49 Church St.
Whitinsville, MA 01588
800-578-4270

UNITED BANK (EXP,EX)

95 Elm St.
West Springfield, MA 01089
413-787-1271

UPS CAPITAL (PLP,EXP,EX)

425 Day Hill Rd.
Windsor, CT 06095
860-687-2718

VILLAGE BANK (EXP)

319 Auburn St.
Auburndale, MA 02466
617-340-1211

WALPOLE CO-OPERATIVE BANK (EXP)

982 Main St.
Walpole, MA 02081
508-660-6549

WASHINGTON SAVINGS

100 Broadway
Dracut, MA 01826
978-275-6000

WASHINGTON TRUST COMPANY (PLP,EXP,EX)

23 Broad St.
Westerly, RI 02891
401-348-1396

WEBSTER BANK (PLP,EXP,EX)

609 West Johnson Ave.
Cheshire, CT 06410
203-271-7344

WEBSTER FIRST FEDERAL CREDIT UNION (EXP)

271 Greenwood
Worcester, MA 01570
508-671-5122

WEBSTER FIVE CENTS SAVINGS BANK (EXP)

200 Commercial St.
Worcester, MA 01608
508-438-4725

WELLESLEY COOPERATIVE BANK (EXP,EX)

40 Central St.
Wellesley, MA 02482
781-237-7221

WELLS FARGO BANK (PLP,EXP,EX)

4 Corporate Dr.
Shelton, CT 06484
203-225-5888

WESTFIELD BANK (PLP,EXP,EX)

141 Elm St.
Westfield, MA 01085
413-568-1911

WEYMOUTH BANK (EXP)

744 Broad St.
East Weymouth, MA 02189
781-337-8000

WINTER HILL BANK

342 Broadway
Somerville, MA 02145
617-666-8600

WORKERS' CREDIT UNION (PLP,EXP,EX)

815 Main St.
Fitchburg, MA 01420
978-353-7095

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Express Lender = EXP
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- Find an accountant
- Purchase office equipment
- Buy office furniture
- Purchase vehicles
- Find insurance
- Open a bank account

...and they start their search in this magazine!

MASSACHUSETTS DISTRICT OFFICE ANNUAL REPORT FY 2014

Fiscal Year 2014 was one of major achievements. The U.S. Small Business Administration's Massachusetts District Office supported 2,397 loans for over \$595 million dollars through three main loan programs: the 7(a) Loan Guaranty Program, the Certified Development Company/504 Loan Program, and the Microloan Program. In addition, over 28,000 clients were trained and counseled by SBA and our resource partners – SCORE, the Massachusetts Small Business Development Center Network, the Women's Business Center at the Center for Women & Enterprise, and the Northeast Veterans Business Resource Center.

SUCCESS

Guaranteed **2,112** loans worth over **\$295** million through SBA's flagship 7(a) Loan Guaranty Program through **132** lenders.

Approved **215** Certified Development Company **504** loans totaling over **\$128** million.

70 businesses in MA obtained **microloans** totaling over **\$1.25** million through our 8 microlenders.

Contract Awards to MA Small Businesses (estimate):

Small Business: **\$2.1** billion
Hub Zone: **\$55** million
8(a): **\$95** million
Veterans: **\$157** million
Service Disabled Vet: **\$130** million
Women **\$170** million

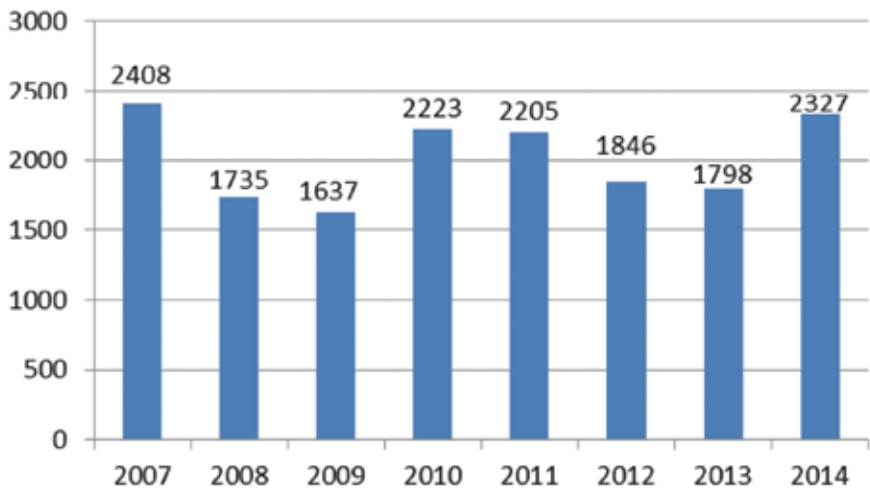
**Small Business Innovation Research
Program** : **236** awards granted totaling
over **\$74** million.

**Small Business Investment Company
Program**: **138** financings to **73** businesses
for **\$231.5** million

Surety Bonding
169 bonds were issued
for **\$80.5** million

www.sba.gov/ma

Total 7(a) and 504 Loans



Small Business Clients Counseled and Trained by:

Small Business Development Centers	8,295
SBA Massachusetts District Office	6,198
SCORE Chapters	10,565
Center for Women & Enterprise	<u>3,298</u>

Total Clients Served 28,356

2014

NEW COMMUNITY ADVANTAGE LENDER

Coastal Community Capital

NEW PREFERRED LENDERS

South Shore Bank
North Brookfield Savings Bank
Spencer Savings Bank
Bristol County Savings
Liberty Bay Credit Union
Hometown Bank

NEW EXPRESS LENDERS

Pilgrim Bank
St. Jean's Credit Union
The Savings Bank
Eagle Bank
NUVO Bank and Trust Co.

LENDER of the QUARTER AWARDS

1st Quarter:

Blue Hills Bank

2nd Quarter:

St. Mary's Credit Union

3rd Quarter:

Citizens Bank

4th Quarter: Leader

Bank

NEW 8(a) FIRMS

Taino Consulting Group, LLC
One Way Development, Inc.
Henry General Contractors, Inc.
Erinna Construction Services

NEW HUBZONE FIRMS

Energy Tariff Experts, LLC
Patriot Petroleum, Inc.
Cordmaster Engineering Co.
Competitive Innovations, LLC

TOP SBA 7(a) LOAN GUARANTY LENDERS	GROSS \$ AMOUNT	LOANS
EASTERN BANK	\$37,073,000	672
SANTANDER BANK	\$15,442,700	121
ROCKLAND TRUST COMPANY	\$ 16,427,600	109
CITIZENS BANK	\$6,268,000	79
LEADER BANK	\$8,005,400	71
TD BANK	\$13,209,200	63
SOUTH SHORE BANK	\$ 2,676,700	50
CAMBRIDGE SAVINGS BANK	\$4,588,600	49
COMMERCE BANK & TRUST COMPANY	\$2,723,400	39
UNIBANK FOR SAVINGS	\$2,457,000	36
INDEPENDENCE BANK	\$16,410,000	30
MUTUALONE BANK	\$6,051,700	28
BERKSHIRE BANK	\$2,402,600	28
SALEM FIVE CENTS SAVINGS BANK	\$8,861,400	27
BRISTOL COUNTY SAVINGS BANK	\$4,348,000	26
WORKERS CREDIT UNION	\$1,967,100	25
HARBORONE BANK	\$1,081,300	25
CAPE COD FIVE CENTS SAVINGS BANK	\$2,081,100	24
BANKFIVE	\$ 1,747,600	24
TOTAL FOR ALL LENDERS	\$295,480,700	2112

TOP SBA 504 CERTIFIED DEVELOPMENT COMPANY	GROSS \$ AMOUNT	LOANS
GRANITE STATE	\$ 48,013,000	73
BAY COLONY	\$ 40,121,000	70
NEW ENGLAND CERTIFIED	\$ 21,572,000	36
SOUTH EASTERN ECONOMIC DEVELOPMENT	\$ 9,149,000	15
CAPE & ISLANDS COMM. DEV.	\$ 4,624,000	13
TOTAL FOR ALL LENDERS	\$128,180,000	215

www.sba.gov/ma

TOP SBA 504 CDC 3rd PARTY LENDER NAME	GROSS \$ AMOUNT	LOANS
Eastern Bank	\$11,815,905	33
Rockland Trust Company	\$11,542,034	14
Citizens Bank	\$8,724,890	10
Bank of America	\$5,076,250	8
Enterprise Bank and Trust Company	\$3,859,250	8
BankNewport	\$14,053,824	7
South Shore Bank	\$1,898,390	6
TD Bank	\$8,577,000	5
Middlesex Savings Bank	\$4,915,500	5
MountainOne Bank	\$10,827,584	4
TOTAL FOR ALL LENDERS	\$170,523,963	215

www.sba.gov/ma

Out of 68 SBA District Offices Nationwide, Massachusetts Ranked:

#1 on loans less than \$50K

#1 on loans less than \$150K

#3 on total loan approvals

#3 in number of 7A Loans approved

#7 in number of 504 Loans approved

Thank you

2014

TOP SBA MICROLENDERS	GROSS \$ AMOUNT	LOANS
Accion	\$171,810	16
Common Capital	\$180,227	12
SEED	\$388,500	11
New Bedford Economic Development	\$56,500	10
RCAP	\$144,473	8
Dorchester Bay Neighborhood Loan Fund	\$106,000	5
Jobs for Fall River	\$132,000	4
EDIC	\$85,000	4
TOTAL FOR ALL LENDERS	\$1,264,510	70

www.sba.gov/ma

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JJ's Caffe, Brockton



The Children's Museum in Easton



Campanelli Stadium, Brockton



Blue Hills, Canton

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Resources to **grow** and **retain** existing businesses and **attract** new businesses to the region!



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- ✓ Small Business Educational Programming

Within those municipalities reside over 400,000 residents and approximately 18,000 businesses which employ over 250,000 residents throughout the region.

Our partnership between business, local government and the Commonwealth provides resources to grow and retain existing businesses, attract new businesses to the region while providing an efficient and consistent response time to businesses seeking assistance.

WHO WE ARE: A unique economic development partnership between the Cape Cod Canal Region Chamber of Commerce, The Plymouth Area Chamber of Commerce, The Plymouth Area Chamber of Commerce Foundation and The Plymouth Regional Economic Development Foundation.

508.830.1620

www.southshorecanalredd.com



District covers above towns.

BUSINESS DIRECTORY



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SBA.gov/healthcare

- Learn what the Affordable Care Act (ACA) means for you and your small business, with information about key pieces of the law based upon the size of your business

Healthcare.gov

- Learn more about the new small business health insurance marketplaces, find coverage options for your employees and enroll in either your state or federal marketplace

BusinessUSA.gov/healthcare

- This new site includes a search tool to direct you to ACA resources based on a business's location, size and current insurance offerings

For more information, visit the above resources or contact your local SBA District Office.

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All SBA programs and services are extended to the public on a nondiscriminatory basis.

On the Cover: **Horn Jewelers — Creating Legacy**

Kyong Tremblay left Korea to start a new life in the United States with absolutely nothing but pure will to succeed. Her first success — starting a family, and as a mother, her first priority was providing for her two kids and making sure they received a high-quality education. In order to support that goal, Kyong found a job working in a sales position at a local jewelry store in Boston — learning the trade and developing a passion for helping her clients. She gained trust from loyal customers and started building a reputable word-of-mouth following.

After three years of working for the store, the owner retired and this was the milestone where she identified an opportunity to take a chance and go out on her own. Dedication in offering high-quality goods and service to her clientele is what drove Kyong to become a business owner. Kyong was determined to create a legacy for herself and her children.

Since 2003, SBA capital access programs have served as a foundation in helping Kyong to leverage all of her hard work into business ownership. Most recently, it was Eastern Bank's decision to recommend an SBA Express working capital loan that enabled the business to grow to the next level. The current fee savings incentives in place on all SBA loans of \$150,000 or less also helped to save the business money. SBA set loan fees to zero on low dollar loans in fiscal year 2014 and this incentive continues through the end of fiscal year 2015.

Horn Jewelers is located in the heart of Downtown Crossing, well-known as Boston's historic Diamond District where over a hundred independent jewelry retailers compete within a square mile. Since the jewelry industry is extremely competitive, Horn Jewelers has been able to grow and succeed due to their trustworthy reputation and customer service-centered business model and of course the support of several SBA participating lenders since 2003.



Today, Horn Jewelers is a true family business managed by Kyong's daughter, Stephanie Horn. Stephanie is a GIA Certified Diamond Specialist and Gemologist, who is currently transforming and modernizing Horn Jewelers into a full-service jewelry company with eight specialty departments, including: a loose diamond stock room, showroom, creative design team, goldsmiths, and engraving specialists — all onsite to deliver a one-stop shopping experience! With Stephanie's strong will and tenacity she is intent on turning Horn Jewelers from a small family business into a local business empire, cementing her mother's dream for a legacy in the jewelry business.

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